

Muscatine Power and Water

Electric Utility

Financial Operating Statements & Balance Sheets

April 2019

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - April 2019

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	79,908,408	(34.5)	52,369,608	(18.9)	64,568,282
Less: Plant Use	<u>8,520,120</u>	1.7	<u>8,666,806</u>	16.3	<u>7,449,814</u>
Net Generation/Wholesale Sales	71,388,288	(38.8)	43,702,802	(23.5)	57,118,468
Wholesale Sales - Wind	<u>4,800,000</u>	(32.5)	<u>3,242,339</u>	(30.7)	<u>4,675,387</u>
Total Wholesales Sales	<u><u>76,188,288</u></u>	(38.4)	<u><u>46,945,141</u></u>	(24.0)	<u><u>61,793,855</u></u>
<u>Net Capacity Factors</u>					
Unit 9	48.83	(41.3)	28.67	(18.4)	35.14
Unit 8/8A	43.32	(28.2)	31.11	(29.9)	44.41
Unit 7	---	---	---	---	23.19
Total Plant	43.38	(38.8)	26.56	(26.0)	35.90
<u>KWH Distribution</u>					
Residential	6,669,382	(1.7)	6,553,348	(10.3)	7,305,270
Commercial I	2,054,659	5.1	2,159,220	(13.8)	2,504,999
Commercial II	7,633,465	(10.6)	6,825,520	(14.1)	7,941,760
Industrial I	10,304,877	0.6	10,369,320	(0.7)	10,445,080
Industrial II	39,680,280	(3.4)	38,315,882	(2.6)	39,343,997
City Enterprise Funds	427,452	14.6	489,980	17.7	416,174
Water & Communications Utilities	<u>1,377,044</u>	5.5	<u>1,452,595</u>	2.5	<u>1,417,686</u>
Native System Sales	68,147,159	(2.9)	66,165,865	(4.6)	69,374,966
City Lighting	139,357	(16.4)	116,434	(12.2)	132,562
City Buildings	529,207	(10.4)	474,042	(20.9)	599,237
Offline Power Plant Usage	57,600	64.1	94,525	(89.6)	905,626
Losses & Cycle Billing	<u>1,457,135</u>	0.5	<u>1,464,936</u>	1.1X	<u>713,077</u>
Total Native System KWH					
Distributed	70,330,458	(2.9)	68,315,802	(4.8)	71,725,468
Wind KWH Purchases	<u>4,800,000</u>	(32.5)	<u>3,242,339</u>	(30.7)	<u>4,675,387</u>
Total Purchased Power KWH	<u><u>75,130,458</u></u>	(4.8)	<u><u>71,558,141</u></u>	(6.3)	<u><u>76,400,855</u></u>
<u>STEAM SALES - 1,000 lbs</u>					
	<u><u>252,000</u></u>	0.9	<u><u>254,158</u></u>	1.0	<u><u>251,730</u></u>

Muscataine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - April 2019

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	314,732,462	4.3	328,370,492	(5.4)	347,164,731
Less: Plant Use	<u>34,665,624</u>	14.8	<u>39,803,741</u>	2.7	<u>38,760,427</u>
Net Generation/Wholesale Sales	280,066,838	3.0	288,566,751	(6.4)	308,404,304
Wholesale Sales - Wind	<u>19,800,000</u>	(12.2)	<u>17,388,122</u>	(12.6)	<u>19,890,956</u>
Total Wholesales Sales	<u>299,866,838</u>	2.0	<u>305,954,873</u>	(6.8)	<u>328,295,260</u>
<u>Net Capacity Factors</u>					
Unit 9	50.13	(2.8)	48.72	(11.9)	55.33
Unit 8/8A	34.15	28.0	43.71	13.0	38.69
Unit 7	---	---	5.08	(67.9)	15.81
Total Plant	42.55	3.0	43.84	(9.5)	48.46
<u>KWH Distribution</u>					
Residential	31,877,379	3.2	32,894,225	(0.8)	33,161,169
Commercial I	9,179,095	8.0	9,915,196	(12.2)	11,298,358
Commercial II	32,283,994	(6.0)	30,342,780	(3.6)	31,468,180
Industrial I	40,607,882	3.6	42,081,440	3.3	40,747,740
Industrial II	159,425,211	(3.3)	154,243,090	(1.5)	156,533,363
City Enterprise Funds	1,789,430	10.9	1,984,357	23.9	1,601,834
Water & Communications Utilities	<u>5,434,937</u>	4.9	<u>5,702,056</u>	2.7	<u>5,553,652</u>
Native System Sales	280,597,928	(1.2)	277,163,144	(1.1)	280,364,296
City Lighting	543,303	(17.8)	446,500	(14.9)	524,554
City Buildings	2,472,274	(3.4)	2,388,458	(8.2)	2,602,378
Offline Power Plant Usage	226,560	2.6X	804,652	(37.3)	1,283,710
Losses & Cycle Billing	<u>6,514,207</u>	6.0	<u>6,907,997</u>	9.3	<u>6,320,271</u>
Total Native System KWH Distributed	290,354,272	(0.9)	287,710,751	(1.2)	291,095,209
Wind KWH Purchases	<u>19,800,000</u>	(12.2)	<u>17,388,122</u>	(12.6)	<u>19,890,956</u>
Total Purchased Power KWH	<u>310,154,272</u>	(1.6)	<u>305,098,873</u>	(1.9)	<u>310,986,165</u>
<u>STEAM SALES - 1,000 lbs</u>					
	<u>1,008,000</u>	(1.7)	<u>990,821</u>	1.0	<u>980,791</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - April 2019

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
<u>Sales of Electricity</u>								
Residential	\$787,139	\$ 0.11802	4.8	\$824,741	\$ 0.12585	0.2	\$823,495	\$ 0.11273
Commercial I	226,286	0.11013	10.0	248,916	0.11528	(4.0)	259,221	0.10348
Commercial II	615,195	0.08059	1.6	624,753	0.09153	1.3	616,459	0.07762
Industrial I	671,946	0.06521	13.0	759,203	0.07322	15.8	655,626	0.06277
Industrial II	2,127,792	0.05362	7.7	2,291,555	0.05981	14.7	1,997,434	0.05077
City Enterprise Funds	32,818	0.07678	24.3	40,778	0.08322	32.9	30,682	0.07372
Water & Communication Utilities	<u>84,210</u>	0.06115	21.7	<u>102,512</u>	0.07057	20.4	<u>85,157</u>	0.06007
Native System Sales	4,545,387	0.06670	7.6	4,892,458	0.07394	9.5	4,468,074	0.06440
Wholesale Sales	<u>2,282,589</u>	0.02996	(39.1)	<u>1,391,063</u>	0.02963	(20.0)	<u>1,738,603</u>	0.02814
Energy Sales	<u>6,827,976</u>		(8.0)	<u>6,283,521</u>		1.2	<u>6,206,677</u>	
<u>Steam Sales</u>	<u>967,697</u>	3.84	0.9	<u>976,213</u>	3.84	2.0	<u>956,974</u>	3.80
<u>Other Revenue</u>								
By-Product Revenue	22,588		27.5	28,800		(7.6)	31,174	
Miscellaneous Revenue	<u>54,977</u>		16.0	<u>63,749</u>		(4.5)	<u>66,722</u>	
Total Other Revenue	<u>77,565</u>		19.3	<u>92,549</u>		(5.5)	<u>97,896</u>	
Operating Revenue	<u>7,873,238</u>		(6.6)	<u>7,352,283</u>		1.2	<u>7,261,547</u>	
<u>Operating Expense</u>								
Purchased Power	2,048,997	0.02727	(5.9)	1,928,741	0.02695	(8.8)	2,115,242	0.02769
Production Fuel	2,181,332		(30.5)	1,515,523		(6.8)	1,625,846	
Emissions Allowance	526		---	705		28.2	550	
Operation	2,334,088		(9.9)	2,102,469		4.2	2,017,786	
Maintenance	951,174		(24.0)	722,683		(14.2)	842,509	
Depreciation	<u>869,891</u>		18.1	<u>1,027,147</u>		7.1	<u>958,834</u>	
Total Operating Expense	<u>8,386,008</u>		(13.0)	<u>7,297,268</u>		(3.5)	<u>7,560,767</u>	
Operating Income (Loss)	<u>(512,770)</u>		-1.1X	<u>55,015</u>		-1.2X	<u>(299,220)</u>	
<u>Nonoperating Revenue (Expense)</u>								
Interest Income	70,101		82.2	127,691		78.4	71,591	
Interest Expense	<u>(1,451)</u>		29.3	<u>(1,877)</u>		97.6	<u>(950)</u>	
Total Nonoperating Revenue (Expense)	<u>68,650</u>		83.3	<u>125,814</u>		78.1	<u>70,641</u>	
Net Income (Loss) Before Revenue Adjustment	<u>(444,120)</u>		-1.4X	<u>180,829</u>		-1.8X	<u>(228,579)</u>	
Capital Contributions	---		---	---		---	---	
Change in Net Position	<u>(444,120)</u>		-1.4X	<u>180,829</u>		-1.8X	<u>(228,579)</u>	
Beginning Net Position	<u>106,436,363</u>			<u>107,741,886</u>			<u>114,484,007</u>	
Prior Period Adj. GASB 18- Landfill	---			---			<u>(1,069,701)</u>	
Ending Net Position	<u>\$105,992,243</u>			<u>\$107,922,715</u>			<u>\$113,185,727</u>	
Net Income (Loss) Before Rev Adj to Op Revenue	(5.6)			2.5			(3.2)	
Change in Net Position to Operating Revenue	<u>(5.6)</u>			<u>2.5</u>			<u>(3.2)</u>	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - April 2019

	Budget Estimate	Avg. Price	% Increase (Decrease) from Budget	This Year	Avg. Price	% Increase (Decrease) from Last Year	Last Year	Avg. Price
<u>Sales of Electricity</u>								
Residential	\$3,619,662	\$ 0.11355	7.7	\$3,898,746	\$ 0.11852	6.3	\$3,666,695	\$ 0.11057
Commercial I	996,114	0.10852	11.5	1,110,463	0.11200	(4.6)	1,164,305	0.10305
Commercial II	2,582,047	0.07998	2.3	2,641,234	0.08705	6.8	2,472,174	0.07856
Industrial I	2,640,457	0.06502	13.2	2,988,830	0.07102	14.9	2,600,329	0.06382
Industrial II	8,545,211	0.05360	6.1	9,065,945	0.05878	11.9	8,101,860	0.05176
City Enterprise Funds	136,009	0.07601	21.2	164,857	0.08308	36.0	121,260	0.07570
Water & Communications Utilities	<u>330,632</u>	0.06083	19.6	<u>395,302</u>	0.06933	16.3	<u>339,754</u>	0.06118
Native System Sales	18,850,131	0.06718	7.5	20,265,378	0.07312	9.7	18,466,377	0.06587
Wholesale Sales	<u>9,159,659</u>	0.03055	0.7	<u>9,225,231</u>	0.03015	(9.6)	<u>10,205,846</u>	0.03109
Energy Sales	<u>28,009,791</u>		5.3	<u>29,490,609</u>		2.9	<u>28,672,223</u>	
<u>Steam Sales</u>	<u>3,870,790</u>	3.84	(1.7)	<u>3,805,473</u>	3.84	2.1	<u>3,728,503</u>	3.80
<u>Other Revenue</u>								
By-Product Revenue	92,745		(17.1)	76,848		(25.0)	102,405	
Miscellaneous Revenue	<u>210,795</u>		0.8	<u>212,566</u>		0.2	<u>212,051</u>	
Total Other Revenue	<u>303,540</u>		(4.7)	<u>289,415</u>		(8.0)	<u>314,456</u>	
Operating Revenue	<u>32,184,121</u>		4.4	<u>33,585,497</u>		2.7	<u>32,715,182</u>	
<u>Operating Expense</u>								
Purchased Power	8,587,678	0.02769	(1.4)	8,468,090	0.02776	(3.9)	8,813,461	0.02834
Production Fuel	8,160,302		3.0	8,405,736		6.4	7,900,188	
Emissions Allowance	2,104		36.4	2,870		45.3	1,975	
Operation	9,299,529		(6.7)	8,679,908		5.2	8,254,706	
Maintenance	3,596,082		(12.9)	3,132,317		11.8	2,802,662	
Depreciation	<u>3,479,564</u>		18.1	<u>4,108,588</u>		7.1	<u>3,835,337</u>	
Total Operating Expense	<u>33,125,259</u>		(1.0)	<u>32,797,509</u>		3.8	<u>31,608,329</u>	
Operating Income (Loss)	<u>(941,138)</u>		-1.8X	<u>787,989</u>		(28.8)	<u>1,106,853</u>	
<u>Nonoperating Revenue (Expense)</u>								
Interest Income	280,405		71.2	479,971		86.5	257,335	
Interest Expense	<u>(5,805)</u>		26.2	<u>(7,326)</u>		96.9	<u>(3,721)</u>	
Total Nonoperating Revenue (Expense)	<u>274,600</u>		72.1	<u>472,645</u>		86.4	<u>253,614</u>	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>(666,538)</u>		-2.9X	<u>1,260,634</u>		(7.3)	<u>1,360,467</u>	
Capital Contributions	<u>---</u>		---	<u>3,300</u>		---	<u>---</u>	
Change in Net Position	<u>(666,538)</u>		-2.9X	<u>1,263,934</u>		(7.1)	<u>1,360,467</u>	
Beginning Net Position	<u>106,658,781</u>			<u>106,658,781</u>			<u>112,894,961</u>	
Prior Period Adj. GASB 18- Landfill	<u>---</u>			<u>---</u>			<u>(1,069,701)</u>	
Ending Net Position	<u>\$105,992,243</u>			<u>\$107,922,715</u>			<u>\$113,185,727</u>	
Net Income (Loss) Before Rev Adj to Op Revenue	(2.1)			3.8			4.2	
Change in Net Position to Operating Revenue	(2.1)			3.8			4.2	

Muscatine Power and Water - Electric Utility
Statements of Net Position
April 2019

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash - interest bearing	\$21,771,804	\$32,411,574
Investments	44,090,653	26,300,000
Receivables:		
Consumer Accounts	6,615,449	5,967,966
Refined Coal	2,454,972	2,779,339
Wholesale	52,932	116,363
Steam Sales	975,920	957,308
Interest	577,033	207,898
Inventories	5,576,225	5,379,921
Fuel	2,488,461	9,046,379
Prepaid Expenses	<u>1,546,845</u>	<u>1,315,549</u>
Total Current Assets	<u>86,150,294</u>	<u>84,482,297</u>
Property and Equipment:		
At Cost	430,664,108	430,267,809
Less Accumulated Depreciation	<u>369,602,395</u>	<u>362,772,093</u>
Net Property and Equipment	<u>61,061,713</u>	<u>67,495,716</u>
Other Assets:		
Note Receivable - Communications Utility	8,078,994	8,562,844
Joint Venture Rights	<u>91,102</u>	<u>109,473</u>
Total Other Assets	<u>8,170,096</u>	<u>8,672,317</u>
Deferred Outflows of Resources		
Pension	7,919,356	10,900,233
OPEB	79,020	79,019
Total Deferred Outflows of Resources	<u>7,998,376</u>	<u>10,979,252</u>
TOTAL ASSETS	<u><u>\$163,380,479</u></u>	<u><u>\$171,629,582</u></u>

Muscatine Power and Water - Electric Utility
Statements of Net Position
April 2019

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2019</u>	<u>2018</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$4,922,081	\$5,563,656
Health & Dental Insurance Provision	293,070	248,520
Accrued Payroll	466,113	370,374
Accrued Vacation	1,321,900	1,267,787
Accrued Emission Allowance Expense	15,081	9,857
Consumers' Deposits	861,931	804,872
Retained Percentage on Contracts	---	30,281
Accrued Property Taxes	82,011	80,195
Miscellaneous Accrued Expenses	756,550	727,956
Unearned Revenue	---	33,920
	<u>8,718,737</u>	<u>9,137,418</u>
Total Unrestricted Current Liabilities		
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,144,696	1,264,169
Post-Employment Health Benefit Provision	695,274	663,866
Landfill closure and post closure liability	1,580,457	1,069,701
Net Pension Liability	<u>12,105,848</u>	<u>17,021,706</u>
	<u>15,526,275</u>	<u>20,019,442</u>
Total Non-Current Liabilities		
Deferred Inflows of Resources		
Extraordinary O&M	28,032,866	28,032,866
Pension	3,089,325	1,163,568
OPEB	90,561	90,561
	<u>31,212,752</u>	<u>29,286,995</u>
Total Deferred Inflows of Resources		
Net Position:		
Net Investment in Capital Assets	61,061,713	67,495,716
Unrestricted	<u>46,861,002</u>	<u>45,690,011</u>
	<u>107,922,715</u>	<u>113,185,727</u>
Total Net Position		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$163,380,479</u></u>	<u><u>\$171,629,582</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
April 2019

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$55,015	\$787,989
Noncash items in operating income:		
Depreciation of electric utility plant	1,027,147	4,108,588
Amortization of joint venture rights	8,188	32,690
Change in deferred outflows of resources	(222,080)	(927,801)
Changes in assets and liabilities:		
Consumer accounts receivable	351,868	212,023
Refined coal	1,250,021	(739,589)
Wholesale receivable	135,131	(48,268)
Steam sales receivable	(136,208)	(75,685)
Inventories	32,630	(242,570)
Fuel	(305,911)	4,785,757
Prepaid expenses	(837,883)	(1,062,951)
Accounts payable	(881,863)	(1,436,553)
Net pension liability	262,829	1,051,319
Health & dental insurance provision	(81,944)	(121,393)
Other post-employment benefit provision	2,636	10,546
Accrued payroll	133,972	(336,798)
Accrued vacation	628	90,213
Accrued emission allowance expense	705	2,871
Consumers' deposits	(2,332)	16,378
Accrued property taxes	7,944	(15,952)
Unearned revenue	0	(7,567)
Miscellaneous accrued expenses	(79,057)	(85,148)
Net cash flows from operating activities	<u>721,435</u>	<u>5,998,099</u>
Cash flows from capital financing activities:		
Sale of Rail cars	---	200,005
Capital expenditures, net	(364,481)	(1,418,699)
Net cash flows from capital and related financing activities	<u>(364,481)</u>	<u>(1,218,694)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(25,995)
Interest received on investments	83,361	283,624
Net cash flows from investing activities	<u>83,361</u>	<u>257,629</u>
Net increase in cash and investments	<u>440,316</u>	<u>5,037,034</u>
Cash and investments at beginning of period	<u>\$65,422,141</u>	<u>\$60,825,423</u>
Cash and investments at end of period	<u><u>\$65,862,457</u></u>	<u><u>\$65,862,457</u></u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
April 2019**

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$28,032,866</u>	<u>\$28,202,270</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$28,032,866</u></u>	<u><u>\$28,202,270</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - April 2019

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$2,048,997</u>	26.0	<u>\$1,928,741</u>	26.2	<u>\$2,115,242</u>	29.1
Average price per kWh	\$0.02727		\$0.02695		\$0.02769	
<u>Generation</u>						
Operation Supervision (500)	75,693		83,170		80,850	
Fuel: (501)						
Coal	1,968,782		1,422,213		1,526,438	
Fuel Oil	1,000		17		32,129	
Gas	20,654		12,631		9,890	
Coal Handling Expense (501-003)	40,446		60,576		44,757	
Landfill Operation Expense (501-925)	150,449		20,087		12,632	
Emissions Allowance Expense (509)	526		705		550	
Steam Expense:						
Boiler (502-004)	95,309		104,110		91,786	
Pollution Control (502-005)	107,094		19,362		17,817	
Electric Expense (505)	95,683		100,840		97,321	
Miscellaneous Steam Power Expense (506)	180,834		136,983		188,828	
Maintenance:						
Supervision (510)	67,308		68,064		82,564	
Structures (511)	83,136		40,581		65,669	
Boiler Plant:						
Boiler (512-006)	178,475		217,330		192,601	
Pollution Control (512-007)	55,153		57,042		40,545	
Electric Plant (513-008)	153,687		17,639		91,145	
System Control (513-009)	20,061		19,860		24,695	
Miscellaneous Steam Plant (514)	45,975		36,997		48,053	
Coal Handling Equipment (516)	75,581		39,484		70,493	
System Control and Load Dispatch (556)	26,996		27,811		34,258	
Vacation, Holiday, Sick Leave (557)	97,572		92,518		65,808	
Depreciation (558)	<u>642,982</u>		<u>630,825</u>		<u>641,039</u>	
Total Generation Expense	<u>\$4,183,398</u>	53.1	<u>\$3,208,844</u>	43.6	<u>\$3,459,868</u>	47.6

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - April 2019

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$9,217		\$7,980		\$7,608	
Load Dispatching (561)	76,448		75,919		69,087	
Station Expense (562)	11,528		7,801		8,489	
Overhead Line Expense (563)	244		4,832		515	
Transmission of Electricity by Others (565)	126,060		53,587		73,453	
Miscellaneous Transmission Expense (566)	12,972		9,042		13,296	
Maintenance:						
Supervision (568)	2,847		2,168		2,002	
Structures (569)	174		---		---	
Station Equipment (570)	6,185		(307)		15,020	
Overhead Lines (571)	19,442		14,627		7,260	
Vacation, Holiday, Sick Leave (575)	14,931		9,573		8,744	
Depreciation (576)	46,015		44,433		43,047	
Tax on Rural Property (577)	5,621		5,686		5,690	
Total Transmission Expense	331,682	4.2	235,341	3.2	254,211	3.5
<u>Distribution</u>						
Operation Supervision (580)	15,178		12,325		11,555	
Load Dispatching (581)	31,674		31,563		28,832	
Station Expense (582)	13,179		7,375		6,677	
Overhead Line Expense (583)	1,846		---		116	
Vehicle Expense (589)	15,467		11,597		12,917	
Underground Line Expense (584)	6,832		5,323		4,257	
Street Lighting (585-418)	2,522		989		2,321	
Signal Expense (585-419)	1,292		338		---	
Meter Expense (586)	11,294		10,140		8,904	
Consumer Installation Expense (587)	719		(202)		694	
Miscellaneous Distribution Expense (588)	62,031		78,450		85,420	
Maintenance:						
Supervision (590)	10,703		8,160		7,070	
Structures (591)	915		---		---	
Station Equipment (592)	10,916		6,132		3,968	
Overhead Lines (593)	54,080		80,778		74,543	
Underground Lines (594)	20,932		12,657		15,050	
Line Transformers (595)	5,002		7,826		4,257	
Street Lighting (596-418)	16,339		1,963		23,394	
Signal System (596-419)	4,432		3,566		4,757	
Meters (597)	2,457		3,107		1,989	
Miscellaneous Distribution Plant (598)	2,750		1,398		2,024	
Vacation, Holiday, Sick Leave (599)	38,187		34,370		25,149	
Depreciation (578)	180,895		179,112		175,558	
Tax on Rural Property (579)	1,679		1,698		1,700	
Total Distribution Expense	\$511,321	6.5	\$498,665	6.8	\$501,152	6.9

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - April 2019

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$7,075		\$7,731		\$2,281	
Energy Efficiency Rebates (912)	12,810		3,220		3,376	
Electric Ranges/Dryers Maintenance (910)	464		214		100	
Electric Water Heaters Maintenance (911)	166		98		116	
Total Customer Service Expense	20,514	0.3	11,261	0.2	5,873	0.1
<u>Consumer Accounts</u>						
Meter Reading Expense (902)	7,896		11,857		10,142	
Consumer Records and Collection (901/903)	47,058		46,968		44,521	
Uncollectible Accounts Expense (904)	3,811		3,811		4,253	
Vacation, Holiday, Sick Leave (906)	6,754		5,645		3,397	
Total Consumer Accounts Expense	65,519	0.8	68,281	0.9	62,313	0.9
<u>Administrative and General</u>						
Administrative and General Salaries (920)	195,413		199,454		196,093	
Office Supplies and Expenses (921)	14,276		16,203		15,724	
Outside Services Employed (923)	48,881		46,396		45,514	
Property Insurance (924)	65,994		76,226		62,067	
Casualty Ins, Injuries & Damages (925)	43,967		37,422		48,634	
Employee Pensions and Benefits (926)	634,800		629,715		595,636	
Fringe Benefits Charged to Constr. (927)	(28,516)		(27,430)		(21,412)	
Regulatory Commission (928)	9,140		11,490		8,417	
Miscellaneous General Expense (930)	89,736		58,550		26,056	
Maintenance of General Plant (932)	59,432		23,338		35,934	
Maintenance of A/O Center (934)	55,189		60,274		29,476	
Vacation, Holiday, Sick Leave (936)	36,264		41,719		20,779	
Depreciation (933)	---		172,778		99,190	
Total Administrative and General	1,224,576	15.6	1,346,135	18.3	1,162,108	16.0
Total Operating Expense	<u>\$8,386,008</u>		<u>\$7,297,268</u>		<u>\$7,560,767</u>	
Percent to Operating Revenue		106.5		99.3		104.1

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - April 2019

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$8,587,678</u>	26.7	<u>\$8,468,090</u>	25.2	<u>\$8,813,461</u>	26.9
Average price per kWh	\$0.02769		\$0.02776		\$0.02834	
<u>Generation</u>						
Operation Supervision (500)	309,153		328,996		315,560	
Fuel: (501)						
Coal	7,528,748		7,918,793		7,553,691	
Fuel Oil	41,143		45,459		45,987	
Gas	82,620		58,445		70,055	
Coal Handling Expense (501-003)	142,249		282,847		169,379	
Landfill Operation Expense (501-925)	365,541		100,192		61,076	
Emissions Allowance Expense (509)	2,104		2,870		1,975	
Steam Expense:						
Boiler (502-004)	421,760		413,767		433,092	
Pollution Control (502-005)	270,900		163,144		133,348	
Electric Expense (505)	389,070		422,305		395,874	
Miscellaneous Steam Power Expense (506)	812,711		610,623		649,733	
Maintenance:						
Supervision (510)	273,626		298,275		302,318	
Structures (511)	289,737		179,418		210,051	
Boiler Plant:						
Boiler (512-006)	816,795		503,884		473,143	
Pollution Control (512-007)	256,216		217,880		205,247	
Electric Plant (513-008)	377,927		529,468		235,951	
System Control (513-009)	83,308		83,469		80,968	
Miscellaneous Steam Plant (514)	232,984		165,548		181,302	
Coal Handling Equipment (516)	273,710		228,907		291,336	
System Control and Load Dispatch (556)	109,061		118,277		119,586	
Vacation, Holiday, Sick Leave (557)	330,138		334,631		334,186	
Depreciation (558)	<u>2,571,927</u>		<u>2,523,298</u>		<u>2,564,157</u>	
Total Generation Expense	<u>\$15,981,428</u>	49.7	<u>\$15,530,495</u>	46.2	<u>\$14,828,015</u>	45.3

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - April 2019

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision (560)	\$36,868		\$35,651		\$28,237	
Load Dispatching (561)	309,614		307,583		288,205	
Station Expense (562)	51,871		44,997		45,491	
Overhead Line Expense (563)	404		16,742		4,202	
Transmission of Electricity by Others (565)	524,240		369,632		346,976	
Miscellaneous Transmission Expense (566)	53,337		47,388		49,204	
Maintenance:						
Supervision (568)	11,388		9,662		7,792	
Structures (569)	488		---		---	
Station Equipment (570)	26,527		22,329		35,215	
Overhead Lines (571)	78,116		60,812		35,238	
Vacation, Holiday, Sick Leave (575)	50,299		39,174		44,257	
Depreciation (576)	184,058		177,731		172,190	
Tax on Rural Property (577)	22,484		22,437		22,852	
Total Transmission Expense	1,349,695	4.2	1,154,137	3.4	1,079,859	3.3
<u>Distribution</u>						
Operation Supervision (580)	60,071		51,816		44,607	
Load Dispatching (581)	126,696		124,495		131,566	
Station Expense (582)	52,149		34,265		26,235	
Overhead Line Expense (583)	15,058		3		957	
Vehicle Expense (589)	61,716		50,346		51,984	
Underground Line Expense (584)	19,678		16,405		14,459	
Street Lighting (585-418)	10,087		2,105		5,149	
Signal Expense (585-419)	5,632		524		295	
Meter Expense (586)	46,959		45,087		41,410	
Consumer Installation Expense (587)	2,978		3,186		3,909	
Miscellaneous Distribution Expense (588)	261,095		313,155		286,577	
Maintenance:						
Supervision (590)	44,302		35,761		28,067	
Structures (591)	2,414		---		---	
Station Equipment (592)	41,432		38,620		20,100	
Overhead Lines (593)	234,412		299,449		220,254	
Underground Lines (594)	91,428		61,486		74,119	
Line Transformers (595)	16,317		7,386		8,196	
Street Lighting (596-418)	36,513		12,251		63,358	
Signal System (596-419)	16,159		35,359		11,795	
Meters (597)	11,769		10,480		8,629	
Miscellaneous Distribution Plant (598)	11,000		8,865		7,456	
Vacation, Holiday, Sick Leave (599)	128,452		146,931		141,577	
Depreciation (578)	723,579		716,448		702,231	
Tax on Rural Property (579)	6,716		6,702		6,828	
Total Distribution Expense	\$2,026,610	6.3	\$2,021,125	6.0	\$1,899,758	5.8

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - April 2019

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	\$43,683		\$26,318		\$22,193	
Energy Efficiency Rebates (912)	50,240		15,138		65,598	
Electric Ranges/Dryers Maintenance (910)	1,954		1,203		845	
Electric Water Heaters Maintenance (911)	762		365		549	
Total Customer Service Expense	\$96,639	0.3	\$43,025	0.1	\$89,185	0.3
<u>Consumer Accounts</u>						
Meter Reading Expense (902)	37,426		45,666		38,862	
Consumer Records and Collection (901/903)	187,609		175,103		177,976	
Uncollectible Accounts Expense (904)	15,243		15,243		17,012	
Vacation, Holiday, Sick Leave (906)	22,695		20,890		20,440	
Total Consumer Accounts Expense	262,973	0.8	256,902	0.8	254,290	0.8
<u>Administrative and General</u>						
Administrative and General Salaries (920)	781,652		755,334		712,372	
Office Supplies and Expenses (921)	64,777		70,949		58,923	
Outside Services Employed (923)	310,823		176,687		168,798	
Property Insurance (924)	250,821		262,426		229,231	
Casualty Ins, Injuries & Damages (925)	173,171		243,974		169,043	
Employee Pensions and Benefits (926)	2,498,522		2,531,376		2,434,469	
Fringe Benefits Charged to Constr. (927)	(92,275)		(93,658)		(131,692)	
Regulatory Commission (928)	36,560		26,005		33,258	
Miscellaneous General Expense (930)	304,386		196,087		149,701	
Maintenance of General Plant (932)	222,007		145,061		170,504	
Maintenance of A/O Center (934)	147,506		177,946		131,623	
Vacation, Holiday, Sick Leave (936)	122,284		140,438		120,772	
Depreciation (933)	0		691,111		396,759	
Total Administrative and General	4,820,236	15.0	5,323,736	15.9	4,643,761	14.2
Total Operating Expense	\$33,125,259		\$32,797,509		\$31,608,329	
Percent to Operating Revenue		102.9		97.7		96.6

Muscatine Power and Water - Electric Utility
Statistical Data
April 2019

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2019</u>	<u>2018</u>
Per Million Btu.	\$1.875	\$1.763
Per Net MW Generated	\$22.71	\$20.22
Net Peak Monthly Demand-KW	108,180	116,320
Date of Peak	4/15	4/4
Hour of Peak	1300	1400

	<u>Calendar Year-To-Date</u>	
	<u>2019</u>	<u>2018</u>
Per Million Btu.	\$1.928	\$1.733
Per Net MW Generated	\$21.77	\$19.78
Net Peak Monthly Demand-KW	119,790	121,470
Date of Peak	1/29	1/4
Hour of Peak	1900	1000
Average Temperature	50.4°	41.4°

<u>Services</u>	<u>2019</u>	<u>2018</u>
Residential	9,924	9,922
Commercial I	1,351	1,358
Commercial II	147	136
Industrial I	12	11
Industrial II	2	2
City Enterprise Funds	24	24
Water & Communications Utility	36	37
Total	<u>11,496</u>	<u>11,490</u>

Muscataine Power and Water - Electric Utility
Wholesale Sales Analysis - Excluding Wind
Current Month - April 2019

	Modified <u>Budget</u>	<u>\$/kWh</u>	This <u>Year</u>	<u>\$/kWh</u>	Last <u>Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales*	<u>71,388,288</u>		<u>43,702,802</u>		<u>57,118,468</u>	
Wholesale Sales*	<u>\$2,210,589</u>	<u>\$0.03097</u>	<u>\$1,339,425</u>	<u>\$0.03065</u>	<u>\$1,664,886</u>	<u>\$0.02915</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,473,724	0.02064	902,413	0.02065	1,086,610	0.01902
Emissions:						
SO ² Allowances-ARP ^{fn1}	111	0.00005	17	0.00001	34	---
SO ² Allowances-CSAPR ^{fn2}	209	---	47	---	43	---
NO _x Allowances ^{fn3}	299	0.00020	175	0.00019	126	---
Other ^{fn4}	<u>194,640</u>	<u>0.00273</u>	<u>194,638</u>	<u>0.00445</u>	<u>166,971</u>	<u>0.00292</u>
Total Variable Costs	<u>1,668,983</u>	<u>0.02338</u>	<u>1,097,290</u>	<u>0.02511</u>	<u>1,253,784</u>	<u>0.02195</u>
Gross Margin	<u>\$541,606</u>	<u>\$0.00759</u>	<u>\$242,136</u>	<u>\$0.00554</u>	<u>\$411,102</u>	<u>\$0.00720</u>
Percent Gross Margin	24.5%		18.1%		24.7%	

*Wholesale analysis excludes wind. (see next page)

Calendar Year To Date

	Modified <u>Budget</u>	<u>\$/kWh</u>	This <u>Year</u>	<u>\$/kWh</u>	Last <u>Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales*	<u>280,066,838</u>		<u>288,566,751</u>		<u>308,404,304</u>	
Wholesale Sales*	<u>\$8,853,329</u>	<u>\$0.03161</u>	<u>\$8,955,189</u>	<u>\$0.03103</u>	<u>\$9,850,941</u>	<u>\$0.03194</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	5,672,741	0.02025	5,832,879	0.02021	5,812,195	0.01885
Emissions:						
SO ² Allowances-ARP ^{fn1}	445	0.00000	127	0.00000	108	0.00000
SO ² Allowances-CSAPR ^{fn2}	764	0.00000	289	0.00000	135	0.00000
NO _x Allowances ^{fn3}	1,196	0.00000	966	0.00000	582	0.00000
Other ^{fn4}	<u>778,560</u>	<u>0.00278</u>	<u>778,551</u>	<u>0.00270</u>	<u>667,885</u>	<u>0.00217</u>
Total Variable Costs	<u>6,453,706</u>	<u>0.02304</u>	<u>6,612,812</u>	<u>0.02292</u>	<u>6,480,905</u>	<u>0.02101</u>
Gross Margin	<u>\$2,399,623</u>	<u>\$0.00857</u>	<u>\$2,342,377</u>	<u>\$0.00812</u>	<u>\$3,370,036</u>	<u>\$0.01093</u>
Percent Gross Margin	27.1%		26.2%		34.2%	

*Wholesale analysis excludes wind. (see next page)

Allowance costs are based on budgeted and market prices for allowances:

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
fn1 SO ² ARP	\$1.00	\$0.70	\$0.70
YTD SO ² ARP	1.00	0.70	0.70
fn2 SO ² CSAPR	1.00	2.00	0.88
YTD SO ² CSAPR	1.00	1.59	0.88
fn3 NO _x annual	2.00	2.50	1.50
YTD NO _x annual	2.00	2.15	1.50

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.

Muscatine Power and Water - Electric Utility
Wind Sales Analysis
Current Month - April 2019

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Revenue</u>						
<u>Wholesale kWh Sales</u>	<u>4,800,000</u>		<u>3,242,339</u>		<u>4,675,387</u>	
<u>Wholesale Sales</u>	<u>\$72,000</u>	<u>\$0.01500</u>	<u>\$51,638</u>	<u>\$0.01593</u>	<u>\$73,717</u>	<u>\$0.01577</u>
<u>Expense</u>						
<u>Purchased Power kWh</u>	4,800,000		3,242,339		4,675,387	
<u>Purchased Power</u>	\$130,368	0.02716	\$88,107	0.02717	\$124,225	0.02657
<u>Gross Margin/(Loss)</u>	<u>(\$58,368)</u>	<u>(\$0.01216)</u>	<u>(\$36,469)</u>	<u>(\$0.01125)</u>	<u>(\$50,508)</u>	<u>(\$0.01080)</u>
Percent Gross Margin	-81.1%		-70.6%		-68.5%	
RECs Sold	---		20,000		---	
REC Net Proceeds	\$0		\$15,000		\$0	
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<u>Wind Net Margin/(Loss)</u>	<u>(\$58,368)</u>		<u>(\$21,469)</u>		<u>(\$50,508)</u>	

Calendar Year To Date

	<u>Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Revenue</u>						
<u>Wholesale kWh Sales</u>	<u>19,800,000</u>		<u>17,388,122</u>		<u>19,890,956</u>	
<u>Wholesale Sales</u>	<u>\$306,330</u>	<u>\$0.01547</u>	<u>\$270,042</u>	<u>\$0.01553</u>	<u>\$354,905</u>	<u>\$0.01784</u>
<u>Expense</u>						
<u>Purchased Power kWh</u>	19,800,000		17,388,122		19,890,956	
<u>Purchased Power</u>	\$537,768	0.02716	\$472,306	0.02716	\$528,503	0.02657
<u>Gross Margin/(Loss)</u>	<u>(\$231,438)</u>	<u>(\$0.01169)</u>	<u>(\$202,264)</u>	<u>(\$0.01163)</u>	<u>(\$173,598)</u>	<u>(\$0.00873)</u>
Percent Gross Margin	-75.6%		-74.9%		-48.9%	
RECs Sold	---		22,500		1,000	
REC Net Proceeds	\$0	---	\$16,875	0.75	\$750	0.75
Misc Wind Revenues/Charges	\$0		\$0		\$0	
<u>Wind Net Margin/(Loss)</u>	<u>(\$231,438)</u>		<u>(\$185,389)</u>		<u>(\$172,848)</u>	

	<u>Budget</u>	<u>This Year</u>	<u>Last Year</u>
RECs at end of Prior Period		53,161	32,618
RECs Added This Period		18,195	10,107
RECs Sold This Period		22,500	1,000
Number of RECs on hand		48,856	41,725
Market Value per REC		\$0.75	\$0.75
Value of RECs on Hand		\$36,642.00	\$31,293.75

Muscatine Power and Water

Water Utility

Financial Operating Statements & Balance Sheets

April 2019

**Muscatine Power and Water
Water Utility**

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Muscatine Power and Water - Water Utility
Classification of Water Distribution
Current Month - April 2019

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	676,790	2.7	695,095	3.3	672,880
Power Plants	61,720	0.2	61,813	6.7	57,918
Residential	29,828	7.9	32,182	8.8	29,580
Commercial	<u>27,099</u>	(4.8)	<u>25,788</u>	(6.9)	<u>27,710</u>
Total Metered Customers	795,437	2.4	814,878	3.4	788,088
Rated Customers - Estimate	---	---	4	(68.8)	12
City Use, Line Loss, Cycle Billing	<u>47,726</u>	2.4	<u>48,893</u>	3.4	<u>47,285</u>
Total Water Pumped	<u><u>843,163</u></u>	2.4	<u><u>863,774</u></u>	3.4	<u><u>835,385</u></u>

Calendar Year-to-Date

	<u>Budget Estimate</u>	<u>%Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>%Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Water Distribution - 1,000 Gallons</u>					
Contract Customers	2,709,630	(1.9)	2,658,788	(0.5)	2,671,213
Power Plants	287,950	(11.7)	254,400	(6.1)	270,819
Residential	132,058	(1.4)	130,247	(0.5)	130,963
Commercial	<u>103,116</u>	2.0	<u>105,169</u>	(0.3)	<u>105,440</u>
Total Metered Customers	3,232,754	(2.6)	3,148,604	(0.9)	3,178,435
Rated Customers - Estimate	---	---	15	(59.5)	37
City Use, Line Loss, Cycle Billing	<u>193,965</u>	(2.6)	<u>188,916</u>	(0.9)	<u>190,706</u>
Total Water Pumped	<u><u>3,426,719</u></u>	(2.6)	<u><u>3,337,535</u></u>	(0.9)	<u><u>3,369,178</u></u>

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - April 2019

	Budget		% Increase			% Increase		
	Estimate	Avg. Price	(Decrease)	This Year	Avg. Price	(Decrease)	Last Year	Avg. Price
			from Budget			from Last		
						Year		
<u>Sales of Water</u>								
Contract Customers	\$316,671	\$ 0.46790	0.7	\$318,829	\$ 0.45868	7.6	\$296,298	\$ 0.44034
Power Plants	34,367	0.55682	(3.7)	33,083	0.53521	4.5	31,669	0.54679
Residential	173,298	5.80992	1.7	176,158	5.47381	7.8	163,398	5.52394
Commercial	<u>53,162</u>	1.96179	(1.9)	<u>52,127</u>	2.02137	1.8	<u>51,193</u>	1.84746
Water Sales	<u>577,498</u>	0.72601	0.5	<u>580,197</u>	0.71200	6.9	<u>542,558</u>	0.68845
<u>Other Revenue</u>								
Penalty Revenue	1,200		---	981		(22.8)	1,270	
Merchandise & Job Sales-Net	1,011		(80.7)	195		31.8	148	
Miscellaneous Revenue	<u>761</u>		69.9	<u>1,293</u>		82.4	<u>709</u>	
Total Other Revenue	<u>2,972</u>		(16.9)	<u>2,469</u>		16.1	<u>2,127</u>	
Operating Revenue	<u>580,470</u>		0.4	<u>582,666</u>		7.0	<u>544,685</u>	
<u>Operating Expense</u>								
Operation	363,776		(0.1)	363,566		5.9	343,154	
Maintenance	64,297		78.8	114,989		1.5X	46,436	
Depreciation	<u>83,679</u>		(4.3)	<u>80,090</u>		11.9	<u>71,558</u>	
Total Operating Expense	<u>511,752</u>		9.2	<u>558,645</u>		21.1	<u>461,148</u>	
Operating Income	<u>68,718</u>		(65.0)	<u>24,021</u>		(71.2)	<u>83,537</u>	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	7,008		60.7	11,265		19.4	9,435	
Interest Expense	<u>(39,231)</u>		0.0	<u>(39,232)</u>		(1.3)	<u>(39,754)</u>	
Net Nonoperating Revenues (Expenses)	<u>(32,223)</u>		(13.2)	<u>(27,967)</u>		(7.8)	<u>(30,319)</u>	
Change in Net Position	36,495		-1.1X	(3,946)		-1.1X	53,218	
Beginning Net Position	<u>17,358,861</u>			<u>17,370,372</u>			<u>16,709,350</u>	
Ending Net Position	<u>\$17,395,356</u>			<u>\$17,366,426</u>			<u>\$16,762,568</u>	
Net Income (Loss) to Operating Revenue	6.3			(0.7)			9.8	
Debt Service Coverage	<u>1.95</u>			<u>1.41</u>			<u>2.01</u>	

Muscatine Power and Water - Water Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - April 2019

	Budget		% Increase			% Increase		
	Estimate	Avg. Price	(Decrease)	This Year	Avg. Price	(Decrease)	from Last	
			from Budget			Year	Last Year	Avg. Price
<u>Sales of Water</u>								
Contract Customers	\$1,216,995	\$ 0.44914	(1.6)	\$1,196,936	\$ 0.45018	5.2	\$1,137,621	\$ 0.42588
Power Plants	141,686	0.49205	(2.8)	137,705	0.54129	5.5	130,508	0.48190
Residential	683,569	5.17628	(0.8)	678,237	5.20731	5.5	643,155	4.91097
Commercial	208,034	2.01748	(2.9)	201,999	1.92071	0.8	200,333	1.89997
Water Sales	2,250,284	0.69609	(1.6)	2,214,877	0.70345	4.9	2,111,617	0.66436
<u>Other Revenue</u>								
Penalty Revenue	3,400		(13.8)	2,930		(22.6)	3,786	
Merchandise & Job Sales-Net	6,197		(75.9)	1,491		(74.9)	5,932	
Miscellaneous Revenue	4,226		79.3	7,576		7.2	7,065	
Total Other Revenue	13,823		(13.2)	11,997		(28.5)	16,783	
Operating Revenue	2,264,107		(1.6)	2,226,874		4.6	2,128,400	
<u>Operating Expense</u>								
Operation	1,438,698		(0.3)	1,434,625		4.9	1,367,395	
Maintenance	239,101		9.7	262,287		47.0	178,406	
Depreciation	334,715		(4.3)	320,364		11.9	286,229	
Total Operating Expense	2,012,514		0.2	2,017,276		10.1	1,832,030	
Operating Income	251,593		(16.7)	209,598		(29.3)	296,370	
<u>Nonoperating Revenues (Expenses)</u>								
Interest Income	28,715		45.5	41,780		30.1	32,126	
Interest Expense	(156,926)		0.0	(156,926)		(0.4)	(157,517)	
Net Nonoperating Revenues (Expenses)	(128,211)		(10.2)	(115,146)		(8.2)	(125,391)	
Change in Net Position	123,382		(23.4)	94,452		(44.8)	170,979	
Beginning Net Position	17,271,974			17,271,974			16,591,589	
Ending Net Position	\$17,395,356			\$17,366,426			\$16,762,568	
Net Income (Loss) to Operating Revenue	5.4			4.2			8.0	
Debt Service Coverage	1.88			1.75			1.87	

Muscatine Power and Water - Water Utility
Statements of Net Position
April 30, 2019

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$1,466,686	\$1,100,294
Receivables:		
Consumer Accounts	772,751	738,176
Interest	98	61
Inventories	338,967	322,831
Prepaid Expenses	<u>72,162</u>	<u>57,236</u>
Total Unrestricted Current Assets	<u>2,650,664</u>	<u>2,218,598</u>
<u>Restricted Assets</u>		
Cash - interest bearing	<u>4,503,019</u>	<u>6,795,470</u>
Total Restricted Current Assets	<u>4,503,019</u>	<u>6,795,470</u>
Total Current Assets	<u>7,153,683</u>	<u>9,014,068</u>
Non-Current Assets:		
Unamortized debt issuance costs	<u>51,199</u>	<u>55,182</u>
Property and Equipment:		
At Cost	39,656,933	37,379,480
Less Accumulated Depreciation	<u>11,838,004</u>	<u>11,302,032</u>
Net Property and Equipment	<u>27,818,929</u>	<u>26,077,448</u>
Deferred Outflows of Resources		
Pension	573,254	772,403
IPERS	237,547	197,472
OPEB	<u>10,397</u>	<u>10,397</u>
Total Deferred Outflows of Resources	<u>821,198</u>	<u>980,272</u>
TOTAL ASSETS	<u><u>\$35,845,009</u></u>	<u><u>\$36,126,970</u></u>

Muscatine Power and Water - Water Utility
Statements of Net Position
April 30, 2019

LIABILITIES AND NET POSITION

	<u>2019</u>	<u>2018</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accounts Payable	\$478,173	\$667,152
Health & Dental Insurance Provision	40,380	32,700
Retained Percentage on Contracts	56,176	48,669
Consumer Advances for Construction	600	600
Accrued Payroll	56,799	44,321
Accrued Vacation	155,101	151,111
Accrued Property Taxes	2,749	2,005
Miscellaneous Accrued Expenses	80,237	67,260
	<u>870,215</u>	<u>1,013,818</u>
Total Payable from Unrestricted Assets		
<u>Payable from Restricted Assets</u>		
State Revolving Loan - Current Portion	33,000	32,000
Water Revenue Bonds - Current Portion	380,000	375,000
Accrued Interest	237,068	240,667
	<u>650,068</u>	<u>647,667</u>
Total Payable from Restricted Assets		
Total Current Liabilities	<u>1,520,283</u>	<u>1,661,485</u>
Non-Current Liabilities:		
State Revolving Loan	35,000	68,000
Water Revenue Bond Series 2017	14,926,969	15,410,256
Health & Dental Insurance Provision	26,430	72,012
Post-Employment Health Benefit Provision	91,731	87,369
Net Pension Liability	1,349,348	1,672,611
Consumer Advances for Construction	197,650	198,259
	<u>16,627,128</u>	<u>17,508,507</u>
Total Non-Current Liabilities		
Deferred Inflows of Resources		
Pension	245,846	79,730
IPERS	73,410	102,764
OPEB	11,916	11,916
	<u>331,172</u>	<u>194,410</u>
Total Deferred Inflows of Resources		
Net Position:		
Net Investment in Capital Assets	12,245,710	9,993,333
Restricted	4,265,951	6,554,803
Unrestricted	854,765	214,432
	<u>17,366,426</u>	<u>16,762,568</u>
Total Net Position		
TOTAL LIABILITIES AND NET POSITION	<u><u>\$35,845,009</u></u>	<u><u>\$36,126,970</u></u>

Muscatine Power and Water - Water Utility
Statements of Cash Flows
April 2019

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$24,021	\$209,598
Noncash item in operating income:		
Depreciation of utility plant	80,090	320,364
Change in deferred outflows of resources	(18,154)	51,527
Change in deferred inflows of resources	---	(125,554)
Changes in assets and liabilities:		
Consumer accounts receivable	(4,055)	(17,201)
Inventories	32,254	4,742
Prepaid and deferred expenses	(24,976)	(49,861)
Accounts payable	172,566	171,178
Net pension liability	20,967	83,867
Health & dental insurance provision	(14,653)	(27,335)
Other post-employment benefit provision	395	1,580
Retained percentage	---	---
Accrued payroll	19,183	(28,163)
Accrued vacation	4,357	7,484
Accrued property taxes	274	(454)
Unearned revenue	---	(1,200)
Miscellaneous accrued expenses	2,557	17,940
Net cash flows from operating activities	<u>294,826</u>	<u>618,512</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	<u>(184,433)</u>	<u>(489,981)</u>
Net cash flows from capital and related financing activities	<u>(184,433)</u>	<u>(489,981)</u>
Cash flows from investing activities:		
Interest received on investments	<u>11,269</u>	<u>41,774</u>
Net cash flows from investing activities	<u>11,269</u>	<u>41,774</u>
Net increase in cash and investments	<u>121,662</u>	<u>170,305</u>
Cash and investments at beginning of period	<u>\$5,848,044</u>	<u>\$5,799,402</u>
Cash and investments at end of period	<u><u>\$5,969,706</u></u>	<u><u>\$5,969,707</u></u>

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - April 2019

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision (600)	\$3,597		\$4,111		\$4,002	
Operation Labor and Expenses (601)	981		428		705	
Miscellaneous Expense (603)	385		710		35	
Maintenance of Wells (614)	---		35,400		---	
Maintenance of Supply Mains (616)	102		---		---	
Depreciation (618)	11,109		10,498		9,449	
Total Source of Supply Expense	16,174	2.8	51,147	8.8	14,191	2.6
<u>Pumping</u>						
Operation Supervision (620)	3,955		3,919		4,389	
Fuel or Power Purchased (623)	77,114		91,410		75,224	
Pumping Labor and Expenses (624)	4,971		1,641		6,922	
Miscellaneous Expense (626)	283		515		360	
Maintenance of Structures (631)	34		---		---	
Maintenance of Pumping Equipment (632/633)	15,320		43,551		1,911	
Depreciation (634)	6,718		6,497		6,240	
Total Pumping Expense	108,395	18.7	147,533	25.3	95,046	17.4
<u>Water Treatment</u>						
Operation Supervision (640)	3,634		4,069		4,014	
Chemicals (641)	18,965		19,588		21,100	
Operation Labor and Expenses (642)	16,065		17,057		15,058	
Miscellaneous Expense (643)	137		495		657	
Maintenance of Structures (651)	3,788		1,581		4,092	
Maintenance of Purification Equip. (652)	2,125		3,300		571	
Depreciation (654)	5,446		3,388		3,262	
Total Water Treatment Expense	50,160	8.6	49,478	8.5	48,754	9.0
<u>Distribution</u>						
Operation Supervision (660)	3,816		3,450		4,173	
Storage Facilities Expense (661)	5,327		6,193		4,991	
Trans. & Distr. Lines Expense (662)	13,864		9,134		11,063	
Meter Expense (663)	11,714		6,296		9,216	
Consumer Installation Expense (664)	8,353		5,143		5,008	
Miscellaneous Expense (665)	15,835		13,139		11,765	
Vehicle Expense (667)	4,966		13,405		16,260	
Maintenance:						
Supervision (670)	5,189		4,707		5,503	
Structures (671)	239		16		25	
Reservoirs and Standpipes (672)	217		215		16	
Mains (673)	17,634		17,700		19,716	
Valves (674)	4,864		6,117		2,087	
Meters (676)	2,961		(2,547)		6,812	
Hydrants (677)	2,153		33		132	
Miscellaneous Plant (678)	3,318		2,471		2,300	
Vacation, Holiday, Sick Leave (679)	19,442		10,390		10,971	
Depreciation (680)	43,838		43,665		39,456	
Total Distribution Expense	\$163,730	28.2	\$139,527	23.9	\$149,494	27.4

Muscatine Power and Water - Water Utility
Summary of Expenses
Current Month - April 2019

	<u>Budget Est.</u>		<u>This Year</u>		<u>This Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	<u>\$1,835</u>	0.3	<u>\$1,959</u>	0.3	<u>\$223</u>	0.0
<u>Consumer Accounts</u>						
Meter Reading Expense (902)	3,280		4,972		4,122	
Consumer Records and Collection (901/903)	19,464		19,597		18,522	
Uncollectible Accounts Expense (904)	638		638		811	
Vacation, Holiday, Sick Leave (906)	<u>2,803</u>		<u>2,213</u>		<u>1,407</u>	
Total Consumer Accounts Expense	<u>26,185</u>	4.5	<u>27,420</u>	4.7	<u>24,862</u>	4.6
<u>Administrative and General</u>						
Administrative and General Salaries (920)	22,968		22,066		23,292	
Office Supplies and Expenses (921)	1,757		1,899		2,027	
Outside Services Employed (923)	1,920		2,462		3,092	
Property Insurance (924)	2,379		2,748		1,960	
Casualty Ins, Injuries & Damages (925)	4,420		3,657		4,031	
Employee Pensions and Benefits (926)	78,070		70,157		69,833	
Fringe Benefits Charged to Constr. (927)	(10,497)		(8,568)		(8,757)	
Miscellaneous General Expense (930)	10,313		16,138		7,627	
Rents (931)	6,270		6,270		6,207	
Maintenance of General Plant (932)	6,353		2,445		3,271	
Vacation, Holiday, Sick Leave (936)	4,752		6,265		2,844	
Depreciation (933)	<u>16,568</u>		<u>16,042</u>		<u>13,151</u>	
Total Administrative and General	<u>145,273</u>	25.0	<u>141,581</u>	24.3	<u>128,578</u>	23.6
Total Operating Expense	<u>\$511,752</u>		<u>\$558,645</u>		<u>\$461,148</u>	
Percent to Operating Revenue		88.2		95.9		84.7

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - April 2019

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Source of Supply</u>						
Operation Supervision (600)	\$14,488		\$15,452		\$14,525	
Operation Labor and Expenses (601)	4,538		2,745		3,436	
Miscellaneous Expense (603)	625		1,240		35	
Maintenance of Wells (614)	---		36,750		---	
Maintenance of Supply Mains (616)	1,282		(18)		---	
Depreciation (618)	44,435		41,991		37,795	
Total Source of Supply Expense	65,368	2.9	98,160	4.4	55,791	2.6
<u>Pumping</u>						
Operation Supervision (620)	15,817		14,739		15,952	
Fuel or Power Purchased (623)	299,651		347,394		297,949	
Pumping Labor and Expenses (624)	19,922		9,228		24,330	
Miscellaneous Expense (626)	1,133		1,590		1,429	
Maintenance of Structures (631)	969		---		---	
Maintenance of Pumping Equipment (632/633)	29,906		57,574		19,166	
Depreciation (634)	26,870		25,989		24,961	
Total Pumping Expense	394,268	17.4	456,514	20.5	383,787	18.0
<u>Water Treatment</u>						
Operation Supervision (640)	14,536		15,364		14,488	
Chemicals (641)	77,076		71,733		85,051	
Operation Labor and Expenses (642)	68,266		88,905		66,990	
Miscellaneous Expense (643)	12,883		10,379		9,894	
Maintenance of Structures (651)	26,717		10,899		5,519	
Maintenance of Purification Equip. (652)	7,595		14,810		5,338	
Depreciation (654)	21,785		13,554		13,047	
Total Water Treatment Expense	228,858	10.1	225,644	10.1	200,327	9.4
<u>Distribution</u>						
Operation Supervision (660)	15,146		13,560		15,435	
Storage Facilities Expense (661)	19,552		25,701		21,073	
Trans. & Distr. Lines Expense (662)	19,685		16,713		28,612	
Meter Expense (663)	46,840		44,264		42,419	
Consumer Installation Expense (664)	23,893		14,676		21,703	
Miscellaneous Expense (665)	71,992		52,322		61,539	
Vehicle Expense (667)	19,674		32,129		34,276	
Maintenance:						
Supervision (670)	20,755		18,665		20,006	
Structures (671)	955		61		223	
Reservoirs and Standpipes (672)	869		600		382	
Mains (673)	75,752		59,648		54,430	
Valves (674)	19,455		22,438		25,155	
Meters (676)	10,821		14,149		16,401	
Hydrants (677)	5,308		1,738		1,977	
Miscellaneous Plant (678)	13,273		9,763		13,849	
Vacation, Holiday, Sick Leave (679)	65,739		50,282		62,522	
Depreciation (680)	175,351		174,662		157,823	
Total Distribution Expense	\$605,060	26.7	\$551,371	24.8	\$577,825	27.1

Muscatine Power and Water - Water Utility
Summary of Expenses
Calendar Year-to-Date - April 2019

	<u>Budget Est.</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense (909)	<u>\$5,697</u>	0.3	<u>\$3,896</u>	0.2	<u>\$1,771</u>	0.1
<u>Consumer Accounts</u>						
Meter Reading Expense (902)	15,418		19,684		16,386	
Consumer Records and Collection (901/903)	77,624		72,795		74,092	
Uncollectible Accounts Expense (904)	2,550		2,550		3,244	
Vacation, Holiday, Sick Leave (906)	<u>9,427</u>		<u>7,031</u>		<u>8,396</u>	
Total Consumer Accounts Expense	<u>105,019</u>	4.6	<u>102,060</u>	4.6	<u>102,118</u>	4.8
<u>Administrative and General</u>						
Administrative and General Salaries (920)	91,873		84,482		85,341	
Office Supplies and Expenses (921)	7,360		8,340		8,885	
Outside Services Employed (923)	33,944		19,858		9,180	
Property Insurance (924)	9,043		8,628		7,239	
Casualty Ins, Injuries & Damages (925)	17,365		24,878		15,794	
Employee Pensions and Benefits (926)	304,168		279,848		273,444	
Fringe Benefits Charged to Constr. (927)	(37,135)		(16,893)		(35,053)	
Miscellaneous General Expense (930)	48,776		46,917		37,026	
Rents (931)	25,080		25,080		24,828	
Maintenance of General Plant (932)	25,444		15,210		15,960	
Vacation, Holiday, Sick Leave (936)	16,052		19,115		15,164	
Depreciation (933)	<u>66,274</u>		<u>64,168</u>		<u>52,603</u>	
Total Administrative and General	<u>608,244</u>	26.9	<u>579,631</u>	26.0	<u>510,411</u>	24.0
Total Operating Expense	<u>\$2,012,514</u>		<u>\$2,017,276</u>		<u>\$1,832,030</u>	
Percent to Operating Revenue		88.9		90.6		86.1

Muscatine Power and Water - Water Utility
Statistical Data
Current Month - April 2019

	<u>2019</u>		<u>2018</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.672	0.712	0.649	0.688
Cost Per 1,000 Gallons	<u>0.647</u>	<u>0.686</u>	<u>0.552</u>	<u>0.585</u>
Margin	<u>0.025</u>	<u>0.026</u>	<u>0.097</u>	<u>0.103</u>

	<u>2019</u>	<u>2018</u>
Maximum Daily Water Pumped (1,000 gallons)	30,635	29,943
Date of Maximum	04/22	04/30

Calendar Year-to-Date

	<u>2019</u>		<u>2018</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Pumped</u>	<u>Sold</u>
Average Revenue Per 1,000 Gallons	0.664	0.703	0.627	0.664
Cost Per 1,000 Gallons	<u>0.604</u>	<u>0.641</u>	<u>0.544</u>	<u>0.576</u>
Margin	<u>0.059</u>	<u>0.063</u>	<u>0.083</u>	<u>0.088</u>

	<u>2019</u>	<u>2018</u>
Maximum Daily Water Pumped (1,000 gallons)	30,635	29,943
Date of Maximum	04/22	04/30

Services

Contract Customers	2	2
Power Plants	2	2
Residential	8,800	8,791
Commercial	<u>1,073</u>	<u>1,083</u>
Total	<u>9,877</u>	<u>9,878</u>

Muscatine Power and Water

Communications Utility

Financial Operating Statements & Balance Sheets

April 2019

**Muscatine Power and Water
Communications Utility**

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Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - April 2019

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Operating Revenue</u>					
Video	\$587,002	(1.1)	\$580,581	(2.8)	\$597,137
Data/Internet	523,683	4.5	547,116	5.7	517,712
Phone	5,584	(25.6)	4,153	---	52
MAN	67,000	6.3	71,225	9.0	65,367
Miscellaneous	10,740	(8.3)	9,851	(4.0)	10,265
	<u>1,194,009</u>	1.6	<u>1,212,926</u>	1.9	<u>1,190,533</u>
<u>Operating Expense</u>					
Operation	823,576	(3.4)	795,882	3.6	767,884
Maintenance	106,039	(6.1)	99,615	41.2	70,546
Depreciation	103,637	(3.5)	99,966	(21.2)	126,791
	<u>1,033,252</u>	(3.7)	<u>995,463</u>	3.1	<u>965,221</u>
Total Operating Expenses					
	<u>1,033,252</u>	(3.7)	<u>995,463</u>	3.1	<u>965,221</u>
Operating Income	<u>160,757</u>	35.3	<u>217,463</u>	(3.5)	<u>225,312</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	9,345	1.1X	19,940	24.0	16,077
Interest Expense	<u>(22,155)</u>	0.0	<u>(22,155)</u>	(18.1)	<u>(27,037)</u>
Net Nonoperating Expense	<u>(12,810)</u>	(82.7)	<u>(2,215)</u>	(79.8)	<u>(10,960)</u>
Net Income before Capital Contributions	147,947	45.5	215,248	0.4	214,352
Capital Contributions	<u>600</u>	1.4X	<u>1,416</u>	1.0X	<u>703</u>
Change in Net Position	148,547		216,664		215,055
Beginning Net Position	<u>10,065,901</u>		<u>10,309,273</u>		<u>7,944,571</u>
Ending Net Position	<u>\$10,214,448</u>		<u>\$10,525,937</u>		<u>\$8,159,626</u>
Net Income (Loss) to Operating Revenue	12.4		17.8		18.0
Debt Service Coverage on Bank Debt	1.52		1.87		2.04
Debt Service Coverage on Electric Utility Debt	2.13		3.58		4.28

Muscatine Power and Water - Communications Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - April 2019

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Operating Revenue</u>					
Video	\$2,275,961	(1.3)	\$2,245,476	(1.5)	\$2,278,698
Data/Internet	2,077,265	4.0	2,160,660	6.2	2,034,031
Phone	16,315	(16.4)	13,643	---	52
MAN	268,000	5.8	283,410	8.4	261,467
Miscellaneous	42,960	8.6	46,672	7.5	43,418
Total Operating Revenues	<u>4,680,501</u>	1.5	<u>4,749,861</u>	2.9	<u>4,617,666</u>
<u>Operating Expense</u>					
Operation	3,283,457	(4.8)	3,125,807	2.6	3,047,551
Maintenance	422,719	(6.0)	397,503	23.1	322,787
Depreciation	414,548	(3.5)	399,864	(21.2)	507,164
Total Operating Expenses	<u>4,120,724</u>	(4.8)	<u>3,923,174</u>	1.2	<u>3,877,502</u>
Operating Income	<u>559,777</u>	47.7	<u>826,687</u>	11.7	<u>740,164</u>
<u>Nonoperating Revenue (Expense)</u>					
Interest Income	41,558	95.7	81,316	46.3	55,591
Interest Expense	<u>(92,168)</u>	0.0	<u>(92,168)</u>	(28.1)	<u>(128,171)</u>
Net Nonoperating Expense	<u>(50,610)</u>	(78.6)	<u>(10,852)</u>	(85.0)	<u>(72,580)</u>
Net Income before Capital Contributions	509,167	60.2	815,835	22.2	667,584
Capital Contributions	<u>2,400</u>	2.0X	<u>7,221</u>	1.6X	<u>2,813</u>
Change in Net Position	511,567		823,056		670,397
Beginning Net Position	<u>9,702,881</u>		<u>9,702,881</u>		<u>7,489,229</u>
Ending Net Position	<u>\$10,214,448</u>		<u>\$10,525,937</u>		<u>\$8,159,626</u>
Net Income (Loss) to Operating Revenue	10.9		17.2		14.5
Debt Service Coverage on Bank Debt	1.42		1.81		1.81
Debt Service Coverage on Electric Utility Debt	1.71		3.34		3.31

Muscatine Power and Water - Communications Utility
Statements of Net Position
April 2019

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash - interest bearing	\$1,280,001	\$9,653,922
Investments	8,897,072	3,759,395
Receivables:		
Consumer Accounts	1,384,446	1,342,468
Interest	18,985	15,270
Inventories	193,844	181,967
Prepaid Expenses	<u>594,924</u>	<u>400,167</u>
Total Current Assets	<u>12,369,272</u>	<u>15,353,189</u>
Property and Equipment:		
At Cost	45,889,438	42,371,840
Less Accumulated Depreciation	<u>28,996,228</u>	<u>28,601,411</u>
Net Property and Equipment	<u>16,893,210</u>	<u>13,770,429</u>
Deferred Outflows of Resources		
Pension	1,251,730	1,694,501
OPEB	<u>14,555</u>	<u>14,555</u>
Total Deferred Outflows of Resources	<u>1,266,285</u>	<u>1,709,056</u>
TOTAL ASSETS	<u><u>\$30,528,767</u></u>	<u><u>\$30,832,674</u></u>

Muscatine Power and Water - Communications Utility
Statements of Net Position
April 2019

LIABILITIES AND NET POSITION

	<u>2019</u>	<u>2018</u>
Current Liabilities:		
<u>Payable from Unrestricted Assets</u>		
Accrued Interest	\$32,254	37,741
Accounts Payable	932,886	744,395
Health & Dental Insurance Provision	59,606	45,780
Retained Percentage on Contracts	126,205	112,549
Accrued Payroll	85,844	62,848
Accrued Vacation	168,635	171,168
Accrued Property Taxes	4,228	5,124
Unearned Revenue - Dark Fiber Lease	18,600	17,500
Miscellaneous Accrued Expenses	96,711	94,042
Total Payable from Unrestricted Assets	<u>1,524,969</u>	<u>1,291,147</u>
<u>Payable from Restricted Assets</u>		
Notes Payable:		
Banks	1,959,744	1,902,958
Electric Utility	972,540	483,850
Total Payable from Restricted Assets	<u>2,932,284</u>	<u>2,386,808</u>
Total Current Liabilities	<u>4,457,253</u>	<u>3,677,955</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	42,437	109,449
Post-Employment Health Benefit Provision	128,870	122,456
Unearned Revenue - Dark Fiber Lease	187,546	206,146
Net Pension Liability	1,884,695	2,638,422
Notes Payable:		
Banks	5,683,219	7,642,987
Electric Utility	7,106,454	8,078,994
Total Non-Current Liabilities	<u>15,033,221</u>	<u>18,798,454</u>
Deferred Inflows of Resources		
Pension	495,674	179,957
OPEB	16,682	16,682
Total Deferred Inflows of Resources	<u>512,356</u>	<u>196,639</u>
Net Position:		
Net Investment in Capital Assets	9,250,247	3,740,634
Unrestricted	1,275,690	4,418,992
Total Net Position	<u>10,525,937</u>	<u>8,159,626</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$30,528,767</u></u>	<u><u>\$30,832,674</u></u>

Muscatine Power and Water - Communications Utility
Statements of Cash Flows
April 2019

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$217,463	\$826,687
Noncash items in operating income:		
Converter/modem write-off		7,281
Depreciation of utility plant	99,966	399,864
Change in deferred inflows of resources	---	---
Change in deferred outflows of resources	(50,908)	(163,799)
Changes in assets and liabilities:		
Consumer accounts receivable	16,443	234,497
Inventories	3,599	22,225
Prepaid and deferred expenses	(7,982)	(460,453)
Accounts payable	(79,153)	(182,919)
Net pension liability	46,391	185,566
Health & dental insurance provision	(20,849)	(38,340)
Other post-employment benefit provision	561	2,242
Unearned revenue	(1,458)	(5,933)
Retained percentage on contracts	---	---
Accrued payroll	24,681	(28,724)
Accrued vacation	825	8,802
Accrued property taxes	423	(1,841)
Miscellaneous accrued expenses	(57,982)	(49,603)
Net cash flows from operating activities	<u>192,020</u>	<u>755,552</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(601,979)	(1,734,506)
Loan principal payments	---	(481,002)
Loan interest payments	---	(59,914)
Net cash flows from capital and related financing activities	<u>(601,979)</u>	<u>(2,275,422)</u>
Cash flows from investing activities:		
Interest received on investments	21,579	81,763
Net cash flows from investing activities	<u>21,579</u>	<u>81,763</u>
Net decrease in cash and investments	<u>(388,380)</u>	<u>(1,438,107)</u>
Cash and investments at beginning of period	<u>\$10,565,453</u>	<u>\$11,615,180</u>
Cash and investments at end of period	<u><u>\$10,177,073</u></u>	<u><u>\$10,177,073</u></u>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - April 2019

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Video</u>			
Program Acquisition Expense (751-758)	\$385,011	\$369,481	\$379,972
Promotional Expense (960)	5,883	899	3,516
Electricity Expense (736)	1,245	2,489	1,908
Pole Attachment Expense (715)	2,071	2,071	2,043
Changes of Service (742)	2,724	718	1,234
Underground Line Expense (743)	5,687	5,441	2,845
Ad Insertion - Marketing/Production (964, 965)	7,268	2,468	10,044
Miscellaneous Video Expense (710, 738, 739)	17,777	24,761	17,946
Vehicle Expense (760)	5,266	7,082	5,939
Maintenance:			
Fiber (711)	691	5,225	2,294
Coax (712)	1,402	2,840	1,145
Drops (713)	2,630	4,881	4,240
Conduit System (714)	2,118	944	679
Headend (721-725)	28,038	24,697	20,873
Line Equipment (731-735)	2,240	5,089	3,060
Converters (741)	4,482	2,422	1,495
Ad Insertion (966)	4,773	2,727	4,532
Vacation, Holiday, Sick Leave (799)	7,440	7,748	4,208
Property Taxes (794)	237	203	314
Depreciation (793)	56,663	51,588	70,512
Total Video	543,646	523,774	538,799
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	28,920	23,592	28,568
Promotional Expense (961)	5,883	869	3,572
Electricity Expense (836)	139	275	65
Pole Attachment Expense (837)	364	364	359
Changes of Service (842)	908	239	411
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	797	1,814	948
Miscellaneous Data/Internet Expense (839, 844, 848)	7,502	9,649	6,060
Vehicle Expense (860)	844	1,675	791
Maintenance:			
Fiber (811)	288	2,177	956
Coax (813)	467	947	382
Drops (814)	877	1,627	1,413
Conduit System (816)	882	393	283
Headend (820, 821)	36,172	28,767	17,293
Line Equipment (831-835)	578	1,542	994
Modems (841)	6,323	1,697	2,347
Vacation, Holiday, Sick Leave (879)	5,794	5,895	1,758
Property Taxes (894)	99	85	55
Depreciation (893)	26,959	28,019	28,720
Total Data/Internet	123,796	109,626	94,975

Muscatine Power and Water - Communications Utility
Summary of Expenses
Current Month - April 2019

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$1,135	\$1,335	\$1,220
Tools Expense (845)	208	2,039	331
Maintenance:			
Fiber (812)	460	3,483	1,529
Conduit System (817)	2,027	629	453
MAN Equipment (818, 819)	3,093	5,166	2,136
Vacation, Holiday, Sick Leave (899)	402	141	292
Property Taxes (896)	158	135	172
Depreciation (840)	8,468	8,060	18,747
Total MAN	15,951	20,988	24,880
 Phone Expenses (880)	 7,694	 6,700	 9,000
 <u>Customer Service Expense</u>			
Customer Information Expense (909)	5,153	4,307	2,728
 <u>Consumer Accounts</u>			
Customer Records and Collections (901/903)	55,012	56,591	54,029
Uncollectible Accounts Expense (904)	1,110	1,110	1,170
Vacation, Holiday, Sick Leave (906)	6,954	8,170	3,849
Total Consumer Accounts	63,076	65,871	59,048
 <u>Administrative and General</u>			
Administrative and General Salaries (920)	78,655	81,611	67,623
Office Supplies and Expense (921)	4,165	4,381	4,165
Outside Services Employed (923)	11,435	10,183	10,942
Property Insurance (924)	1,610	1,859	1,307
Casualty Ins, Injuries & Damages (925)	7,199	5,904	6,239
Employee Pensions and Benefits (926)	122,975	118,022	104,805
Fringe Benefits Charged to Construction (927)	(8,164)	(4,135)	(5,396)
Rents (931)	10,139	10,139	9,844
Miscellaneous General Expense (930)	13,116	8,696	8,374
Maintenance of General Plant (932)	8,498	4,362	4,442
Vacation, Holiday, Sick Leave (936)	12,761	10,876	14,634
Depreciation (933)	11,547	12,299	8,812
Total Administrative and General	273,936	264,197	235,791
 Total Operating Expenses	 \$1,033,252	 \$995,463	 \$965,221

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - April 2019

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Video</u>			
Program Acquisition Expense (751-758)	\$1,551,430	\$1,442,606	\$1,517,737
Promotional Expense (960)	20,595	4,032	12,790
Electricity Expense (736)	5,809	9,224	10,272
Pole Attachment Expense (715)	8,283	8,283	8,170
Changes of Service (742)	10,949	4,987	5,530
Underground Line Expense (743)	13,081	9,598	7,961
Ad Insertion - Marketing/Production (964, 965)	29,132	11,552	32,368
Miscellaneous Video Expense (710, 738, 739)	73,623	111,983	77,390
Vehicle Expense (760)	21,150	23,347	18,409
Maintenance:			
Fiber (711)	2,699	19,082	5,937
Coax (712)	5,660	7,850	3,292
Drops (713)	10,493	17,303	14,584
Conduit System (714)	7,744	1,518	1,235
Headend (721-725)	113,244	103,515	98,058
Line Equipment (731-735)	9,697	22,231	10,460
Converters (741)	17,280	10,348	7,980
Ad Insertion (966)	19,093	11,708	18,346
Vacation, Holiday, Sick Leave (799)	24,775	23,042	21,058
Property Taxes (794)	948	334	1,256
Depreciation (793)	226,650	206,352	282,048
Total Video	<u>2,172,335</u>	<u>2,048,895</u>	<u>2,154,881</u>
<u>Data/Internet</u>			
Data/Internet Access Charges (851-853)	115,680	107,588	102,606
Promotional Expense (961)	20,595	3,912	12,961
Electricity Expense (836)	651	886	1,185
Pole Attachment Expense (837)	1,457	1,457	1,437
Changes of Service (842)	3,650	1,662	1,843
Customer Wireless Equipment Expense (846)	---	---	---
Underground Line Expense (843)	2,066	3,199	2,654
Miscellaneous Data/Internet Expense (839, 844, 848)	30,618	42,711	30,275
Vehicle Expense (860)	3,377	5,581	2,577
Maintenance:			
Fiber (811)	1,124	7,932	2,474
Coax (813)	1,887	2,617	1,097
Drops (814)	3,498	5,768	4,861
Conduit System (816)	3,227	633	515
Headend (820, 821)	147,613	116,634	103,462
Line Equipment (831-835)	2,237	6,791	3,376
Modems (841)	25,093	6,561	9,923
Vacation, Holiday, Sick Leave (879)	19,013	17,128	9,391
Property Taxes (894)	396	140	220
Depreciation (893)	107,837	112,076	114,880
Total Data/Internet	<u>490,019</u>	<u>443,276</u>	<u>405,737</u>

Muscatine Power and Water - Communications Utility
Summary of Expenses
Calendar Year-to-Date - April 2019

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>MAN</u>			
Pole Attachment Expense (838)	\$4,542	\$4,942	\$4,880
Tools Expense (845)	933	3,171	2,108
Maintenance:			
Fiber (812)	1,796	12,690	3,958
Conduit System (817)	6,741	1,012	823
MAN Equipment (818, 819)	12,372	20,829	8,826
Vacation, Holiday, Sick Leave (899)	1,332	413	1,307
Property Taxes (896)	632	223	688
Depreciation (840)	33,872	32,240	74,988
Total MAN	62,220	75,520	97,578
 Phone Expenses (880)	 25,479	 22,400	 9,083
 <u>Customer Service Expense</u>			
Customer Information Expense (909)	21,519	10,726	12,581
 <u>Consumer Accounts</u>			
Consumer Records and Collections (901/903)	222,369	218,289	216,141
Uncollectible Accounts Expense (904)	4,440	4,440	4,680
Vacation, Holiday, Sick Leave (906)	23,303	24,418	20,303
Total Consumer Accounts	250,112	247,147	241,124
 <u>Administrative and General</u>			
Administrative and General Salaries (920)	306,229	312,459	266,511
Office Supplies and Expense (921)	17,254	20,270	18,357
Outside Services Employed (923)	49,109	45,335	38,407
Property Insurance (924)	6,118	5,779	4,826
Casualty Ins, Injuries & Damages (925)	28,308	39,974	24,170
Employee Pensions and Benefits (926)	484,512	476,697	421,519
Fringe Benefits Charged to Construction (927)	(32,251)	(18,499)	(24,132)
Rents (931)	40,557	40,557	39,376
Miscellaneous General Expense (930)	77,350	50,766	50,235
Maintenance of General Plant (932)	31,221	22,481	23,580
Vacation, Holiday, Sick Leave (936)	44,444	30,195	58,421
Depreciation (933)	46,189	49,196	35,248
Total Administrative and General	1,099,040	1,075,210	956,518
 Total Operating Expenses	 \$4,120,724	 \$3,923,174	 \$3,877,502

Muscatine Power and Water - Communications Utility
Statistical Data
April 2019

	Budget Estimate	% Increase (Decrease) From Budget	This Year ^{fn1}	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>Services</u>					
<u>Video</u>					
Residential	4,726	(2.1)	4,628	(7.4)	4,996
Commercial/Hospitality	<u>156</u>	1.3	<u>158</u>	(0.6)	<u>159</u>
Total Video	<u>4,882</u>	(2.0)	<u>4,786</u>	(7.2)	<u>5,155</u>
Bulk Equivalent Services	<u>302</u>	1.0	<u>305</u>	(3.8)	<u>317</u>
Bulk Master Services	<u>23</u>	0.0	<u>23</u>	(8.0)	<u>25</u>
<u>Data/Internet</u>					
Residential	8,241	(0.4)	8,206	1.1	8,113
Commercial	<u>549</u>	4.7	<u>575</u>	5.1	<u>547</u>
Total Data/Internet	<u>8,790</u>	(0.1)	<u>8,781</u>	1.4	<u>8,660</u>
<u>Phone</u>					
Residential	214	(31.3)	147	8.2X	16
Commercial	<u>44</u>	(9.1)	<u>40</u>	9.0X	<u>4</u>
Total Phone	<u>258</u>	(27.5)	<u>187</u>	8.4X	<u>20</u>
<u>MAN</u>	<u>82</u>	4.9	<u>86</u>	---	<u>86</u>

fn1 Number of actual residential and commercial services are per the end of month subscriber report

Electric Utility
Review of Operating Results
April 2019

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - APRIL 30, 2019**

Page 1

	(Unfavorable)/ Favorable Compared to Budget	
Sales of Electricity		
Native System Sales	\$ 1,415,247	1.2% lower kWhs sold; offset by a 8.8% higher average sales price (\$.07312/kWh versus \$.06718/kWh budgeted)
Wholesale Sales	65,572	2.0% higher kWhs sold; offset by a 1.3% lower average sale price (\$.03015/kWh versus \$.03055/kWh)
	<u>1,480,819</u>	
Steam Sales	<u>(65,317)</u>	1.7% lower pounds of steam sold
Other Revenue		
By-Product Revenue	(16,807)	Fly ash sales lower than budgeted
	910	Gypsum sales higher than budgeted
Miscellaneous Revenue	(17,711)	Lower job sales, net of expenses
	16,741	Revenue from RECs
	2,741	Other miscellaneous variances - net
	<u>(14,126)</u>	
Operating Expense		
Purchased Power - Native System	54,126	Average purchase price is 0.2% higher (\$.02776/kwh vs \$.02769/kwh), offset by 0.9% lower kWhs purchased
Purchased Power - Wind	65,462	12.2% lower kWhs purchased
	<u>119,588</u>	
Production Fuel	(390,045)	7.5% or 18,786 higher number of coal tons burned, offset by a 1.6% lower price/ton
	207,241	Lower cost for phase I landfill partial cover
	19,348	Lower Unit 8 natural gas usage
	17,922	Spraying herbicide for weed control, cost not incurred
	13,000	CCR federal reports cost not incurred
	12,000	AWQR cost not incurred
	8,700	CCR compliance engineering services cost not incurred
	6,000	Landfill site inspection cost not incurred
	5,000	Landfill financial assurance cost not incurred
	(8,358)	Higher coal handling gas and diesel fuel cost
	(132,185)	Higher labor cost
	(4,056)	Other miscellaneous variances - net
	<u>(245,433)</u>	
Emissions Allowance	<u>(766)</u>	Market price higher than assumed
Operation	45,000	Lower cost for bottom ash system chemicals
	43,638	Lower PAC injection system costs
	42,225	Lower cost for wastewater chemicals and analysis
	(13,788)	Higher limestone usage
	(41,012)	Higher cost for IDNR Title V permit fee
	6,668	PM2.5 modeling, cost not incurred
	22,520	Lower cost for stack testing
	(11,701)	Higher cost for engineering services for CCR rule compliance
	60,000	316(b) cooling water impingement/entrainment study, not done
	7,600	EPA protocol-1 cal. & linearity gasses & demurrage, not done
	6,800	Coal and by-product analysis, not done
	10,382	Lower cost for IDNR Non-Title V permit fee
	11,114	Lower cost for plant safety material expenses
	(27,994)	Higher cost for rail car storage/switching costs/admin fees
	(6,366)	Higher station materials expense, transmission
	154,608	Lower cost for MISO's multi-value transmission and market efficiency projects
	13,900	Electric line workers' tools & lean supplies not needed
	6,178	Lower vehicle materials expense
	15,347	Lower cost for share in MAGIC's operating expenses
	8,590	Lower cost for promotional materials
	8,048	Lower cost for Questline-EE newsletter service and customer awareness programs
	35,102	Lower cost for energy efficiency rebates
	5,990	Lower cost for office furniture
	6,767	Lower cost for organizational development consulting
	(15,333)	Succession planning, not budgeted
	23,878	Lower cost for legal services and transmission/reliability standards

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - APRIL 30, 2019**

Page 2

(Unfavorable)/
Favorable Compared
to Budget

27,978	Lower cost for CIP compliance consulting
7,731	Lower cost for financial audit services
13,732	Lower cost for cost of service study
7,436	Lower cost for benefits consulting
13,499	Pension study / GASB 67/68 report, cost not incurred
24,300	Employee search services, cost not incurred
(7,229)	Director professional counseling, not budgeted
8,100	Engineering compensation review, cost not incurred
8,100	Employee survey, cost not incurred
10,000	Coal pile survey, cost not incurred
(75,015)	Higher cost for worker's compensation claims
16,737	Lower cost for healthcare
(18,488)	Higher cost for FICA
(36,336)	Higher cost for deferred comp utility match
(10,076)	Higher cost for LTD insurance
8,100	Unemployment, cost not incurred
10,555	Lower cost for regulatory commission
18,166	Lower cost for employment expenses
34,756	Lower cost for general CIP expense
13,920	Lower cost for employee team expenses
105,504	Lower cost for training/travel
(37,687)	Higher cost for temporary labor services
(23,494)	Higher cost for vacation expense
(189,216)	Higher labor cost
270,387	Other miscellaneous variances - net
619,621	

Maintenance

7,742	Lower cost for elevator maintenance
63,800	A17.3 Code required elevator upgrades (all), not done
(15,717)	Unit 9 turbine roof maintenance, not budgeted
(5,503)	Submersible pump replacement, not budgeted
22,000	Replace SE corner vacuum header, not done
16,500	Units 7,8,9 fire protection panel inspection, not done
5,850	Backflow preventer inspection/repairs, not done
(15,208)	Higher cost for bottom ash system materials
43,918	Lower cost for fly ash system materials
(11,652)	Unit 7 chimney inspection, not budgeted
(6,476)	Unit 7 duct balloon, not budgeted
(7,733)	Higher cost for unit 8 sootblower repairs
(7,958)	Higher cost for 8A reboiler repairs
(5,830)	Replace unit 8 injector assembly, not budgeted
6,202	Lower cost for rebuild unit 9 sootblowers
(5,375)	Scaffolding and replace insulation for Unit 9 hot reheat Y-block, not budgeted
12,000	Purchase a spare coal feeder GRRD for overhauls, not done
8,000	Inspect & clean 7B condensate pump motor, not done
49,094	Unit 9 boiler scaffolding, over accrued in 2018
(12,427)	Replace 9B precipitator expansion joint, not budgeted
(13,596)	Unit 9 LTSH tube replacement, not budgeted
(6,913)	Replace journal wear liners in 9A pulverizer, not budgeted
(7,418)	Replace journal wear liners in 9C pulverizer, not budgeted
(11,902)	Replace motor in 9D pulverizer, not budgeted
(34,614)	Unit 9 boiler tube shield replacement, not budgeted
(10,600)	Unit 9 boiler tube analysis, not budgeted
29,421	Lower cost for unit 9 update air heater outlet O2 probes
7,500	Unit 9 boiler vent, drain and blowdown valve repairs, not done
11,218	Lower cost for unit 9 miscellaneous valve repairs
41,668	Unit 9 routine pulverizer maintenance, not done
80,000	Unit 9 pulverizer journal rebuilds, not done
15,000	Unit 9 boiler feed PMP evaluation, not done
21,000	Unit 9 reheat spray valve trim replacement, not done
10,276	Lower cost for continuous emission monitoring
11,828	Lower PAC (powdered activated carbon) injection system costs
14,665	Lower cost for miscellaneous precipitator repairs
(5,962)	Higher cost for wastewater equipment maintenance
15,000	Process piping repairs, not done
7,500	Stack duct balloon, not done

**MUSCATINE POWER AND WATER - ELECTRIC UTILITY
VARIANCES FROM BUDGETED NET POSITION - APRIL 30, 2019**

Page 3

(Unfavorable)/ Favorable Compared to Budget	
(8,731)	Repair 300 horsepower motor, not budgeted
6,000	Absorber spray impeller replacement, not done
(7,111)	Absorber spray tower 901 inspection and cleaning, not budgeted
(10,224)	Replace T-902 A&B valves, not budgeted
(8,316)	Repair expansion joint for 902 tower, not budgeted
(5,471)	FGD 902 absorber spray pump discharge expansion joint, not budgeted
(13,172)	Higher cost for FGD hydroclone repairs/replacements
8,000	902 WFC motor inspection/repair, not done
8,000	902 absorber spray pump motor, not done
14,000	901 booster fan motor clean/inspect/repair, not done
9,800	WDHFP discharge valves to Clarkson, not done
6,000	Unit 8 UPS battery replacement, not done
87,000	Unit 8 stop valve and CV valve inspection and repair, not done
5,000	Unit 9 replace CV-2 relay, not done
55,000	Rebuild two unit 9 traveling screens, not done
32,000	Replace Unit 9 screen covers, not done
(10,914)	Unit 9 PDA online data collection and analysis, not budgeted
(405,507)	Unit 9 turbine/generator overhaul, not budgeted
9,800	Unit 9 replace chlorine injection pump, not done
7,200	Unit 9 clean heat exchangers, not done
22,000	Unit 9 auxiliary transformer repairs, hot oil process, not done
9,970	Lower cost for unit 9 miscellaneous plant maintenance
8,823	Lower cost for unit 7 miscellaneous plant maintenance
28,000	Update air dryer controls, not done
13,500	Chain fall hoist inspection, not done
5,775	Annual Spider inspection and repair, not done
30,232	Lower cost for rail car maintenance
(9,980)	Higher cost for coal conveyor maintenance
18,100	9B coal gate replacement, not done
10,000	DC-14A double flight screw, not done
(8,423)	Hydromatic sump pump and impeller, not budgeted
(11,281)	Higher cost for rail unloader maintenance
6,348	Lower overhead lines materials expense, transmission
(9,394)	Higher overhead lines materials expense, distribution
8,216	Lower underground lines materials expense, distribution
(12,576)	Repair three padmount transformers, not budgeted
26,413	Returned 15 kV switchgear back into stores, not budgeted
17,608	Lower street lighting materials expense
(9,792)	Higher signals materials expense
57,968	Lower cost for general plant maintenance agreements
9,104	Lower general plant materials expense
(6,600)	Replace cabinets in the head end, not budgeted
(6,172)	Semi-annual HVAC preventative maintenance inspection, not budgeted
(4,356)	Repair yard gate, not budgeted
(12,517)	Higher labor cost
189,148	Other miscellaneous variances - net
463,765	
Depreciation	(629,024) Net value of the A&G assets was underestimated for the budget
Nonoperating Revenue (Expense)	
Interest Income	199,566 Higher average cash balances
Interest Expense	(1,521)
	198,045
Capital Contributions	3,300 3 transformers for job sale
Change in Net Position	\$ 1,930,472 Total Variance from Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position

Sales of Electricity

Native System Sales

1.2% lower kWhs sold, offset by an 8.8% higher average sales price per kWh (\$.07312/kWh versus \$.06718/kWh budgeted), resulted in \$1,415,247 higher revenue than projected.

Wholesale Sales

2.0% higher kWhs sold, offset by a 1.3% lower average sales price (\$.03015/kWh versus \$.03055/kWh budgeted), resulted in \$65,572 higher revenue than projected.

Steam Sales

1.7% lower pounds of steam sold, resulted in \$65,317 lower revenue than projected.

Other Revenue

By-Product Revenue

Gypsum sales are \$910 higher than budgeted and fly ash sales are \$16,807 lower than budgeted, due to the unit 9 outage and colder temperatures.

Miscellaneous Revenue

Net job sales revenue is \$17,711 lower than budget. Transmission-related revenue is \$544 higher than budgeted. Recycling revenue is \$671 lower than budgeted. Penalty revenue is \$2,650 higher than budgeted. Included in revenue is \$16,741 for renewable energy credits sold that were not budgeted.

Nonoperating Revenue (Expense)

Interest Income

Interest income is \$199,566 higher than budgeted due to higher average cash balances.

Statement of Net Position

Liabilities

Health and Dental Insurance Provision

Health care claims have been less than premiums accrued. The current portion is based on the third-party administrator's estimate of incurred but unpaid health claims at year end. This estimate is adjusted in December each year.

Summary of Expenses

Purchased Power – (555)

A 0.2% higher average purchase price (\$.02776/kWh versus \$.02769/kWh budgeted), offset by 0.9% lower kWhs purchased for native system sales, resulted in \$54,126 lower cost. Wind energy kWh purchases were 12.2% or \$65,462 lower than budgeted.

GenerationOperation Supervision – (500)

Total labor expense is \$19,843 higher than budget due to more overtime than expected.

Fuel – Coal – (501-001)

7.5% or 18,786 higher tons of coal burned, offset by a 1.6% lower price/ton, resulted in \$390,045 higher coal expense.

Fuel – Fuel Oil – (501-921)

Cost of fuel oil for Unit 9 start-ups is \$3,949 higher than budgeted. Other materials expenses are \$367 higher than budgeted.

Fuel – Gas – (501-002)

Unit 7's natural gas usage is \$4,828 lower than budgeted and unit 8's natural gas usage is \$19,348 lower than budgeted.

Coal Handling Expense - (501-003)

Labor expenses are \$127,134 higher than budgeted. Gasoline and diesel fuel expenses are \$8,358 higher than budgeted.

Landfill Operation Expense - (501-925)

Labor expenses are \$5,426 higher than budgeted. Phase I landfill partial cover expenses are \$207,241 lower than budgeted due to timing. CCRL groundwater sampling and analysis expenses are \$3,212 lower than budgeted. The budget includes \$17,922 for spraying herbicide to control weeds, \$8,700 for engineering services relating to CCR compliance, \$12,000 for state AWQR, \$13,000 for CCR federal reports, \$6,000 for a landfill site inspection, and \$5,000 for landfill financial assurance; each of these budgeted items has not occurred.

Steam Expense – Boiler – (502-004)

Labor expenses are \$30,303 higher than budgeted. Bottom ash system chemicals are \$45,000 lower than budget due to timing; other materials expenses are \$5,846 higher than budget.

Steam Expense – Pollution Control – (502-005)

PAC (powdered activated carbon) injection system costs, wastewater chemicals/analysis, and labor expenses are \$43,638, \$42,225, and \$34,219 lower than budgeted, respectively. Limestone expense is \$13,788 higher than budgeted.

Electric Expense – (505)

Labor expense is \$36,279 higher than budget. A 10.0% higher average price, offset by 11.7% lower gallons consumed, resulted in \$3,981 lower cost for power plant water bills. Hydrogen and other material expenses are \$937 higher than budgeted.

Generation (cont'd)

<u>Miscellaneous Steam Power Expense - (506)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$322,936	\$246,997
IDNR Title V permit fee	91,172	132,184
PM2.5 modeling	6,668	-
Stack testing	53,700	31,180
Engineering services for CCR rule compliance	4,000	15,701
316(b) cooling water impingement/entrainment study	60,000	-
EPA protocol-1 cal. & linearity gasses & demurrage	7,600	-
Universal waste recycling/hazardous waste disposal	6,532	5,992
Calibration testing for predictive maintenance tools	2,500	-
Calibration testing for Optalign Transducer	1,200	-
Machine Analyst and Microlog maintenance agreements	5,800	5,115
Units 8/9/FGD industrial gas cylinder lease	-	2,137
Coal and by-product analysis	6,800	-
IDNR Non-Title V fees	15,000	4,618
ESC software engineering time/maintenance	11,004	8,228
Plant safety material expenses	52,020	40,906
Plant road and railroad crossing repairs	7,400	2,805
Rail car storage/switching costs/admin fees	37,218	65,212
PEPSI/PMAX/Aware maintenance agreements	2,668	4,664
Travel/training	42,884	12,489
Temporary labor services	18,333	-
Ground maintenance	5,450	2,593
Membership/subscriptions	7,865	4,711
Gasoline/diesel fuel	4,667	6,653
Other expenses	39,294	18,438
	<u>\$812,711</u>	<u>\$610,623</u>

Maintenance Supervision – (510)

Labor expense is \$24,649 higher than budgeted.

Generation (cont'd)

<u>Maintenance of Structures - (511)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$91,880	\$84,243
Elevator maintenance	20,050	12,308
Contracted insulation replacement/repair	10,997	10,576
CHMB maintenance and MH building repairs	4,000	-
A17.3 Code required elevator upgrades (all)	63,800	-
Motor for Trane steam heater	-	689
Install walk-thru door in FGD	-	2,619
Unit 9 turbine roof maintenance	-	15,717
Submersible pump replacement	-	5,503
Vacuum sumps	-	1,816
Explosion proof receptacle replacement	-	716
Heater	-	1,669
Replace SE corner vacuum header	22,000	-
Units 7,8,9 fire protection panel inspection	16,500	-
Rental of JLG high boom lift	-	1,168
Replace bent ground bar and clamps for FGD reheater hoist	-	3,577
Backflow preventer inspection/repairs	5,850	-
Other expenses	54,660	38,816
	<u>\$289,737</u>	<u>\$179,418</u>

Generation (cont'd)

<u>Maintenance of Boiler Plant - Boiler - (512-006)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$278,898	\$207,299
Bottom ash system materials	38,017	53,225
Fly ash system materials	47,317	3,399
Reverse osmosis system	2,667	-
Unit 7 chimney inspection	-	11,652
Update unit 7 sootblower motor starters	5,200	3,859
Unit 7 duct balloon	-	6,476
Unit 8 miscellaneous valve repairs	320	3,669
Unit 8 sootblower repairs	3,060	10,793
8A reboiler repairs	5,817	13,775
Replace unit 8 injector assembly	-	5,830
Rebuild unit 9 sootblowers	8,332	2,130
Scaffolding and replace insulation for Unit 9 hot reheat Y-block	-	5,375
Purchase a spare coal feeder GRRD for overhauls	12,000	-
Inspect & clean 7B condensate pump motor	8,000	-
Reinforced rubber hose for unit 9 boiler ignitor air system	-	2,658
Unit 9 boiler scaffolding *	-	(49,094)
Replace 9B precipitator expansion joint	-	12,427
Clean coal out of 9B plant silo	-	3,445
Unit 9 LTSH tube replacement	-	13,596
Replace journal wear liners in 9A pulverizer	-	6,913
Replace journal wear liners in 9C pulverizer	-	7,418
9C pulverizer mechanical inspection and blade replacement	-	4,598
Replace motor in 9D pulverizer	-	11,902
Replace blades in 9B pulverizer	-	4,589
Unit 9 boiler tube shield replacement	-	34,614
Unit 9 boiler tube analysis	-	10,600
Unit 9 and FGD annual lubrication	-	3,879
Unit 9 pulverizer Beck Drive control retrofit	40,000	40,872
Unit 9 update air heater outlet O2 probes	35,000	5,579
Unit 9 boiler vent, drain and blowdown valve repairs	7,500	-
Unit 9 miscellaneous valve repairs	15,000	3,782
Unit 9 routine pulverizer maintenance	41,668	-
Unit 9 pulverizer journal rebuilds	80,000	-
Unit 9 boiler feed PMP evaluation	15,000	-
Unit 9 reheat spray valve trim replacement	21,000	-
Software/plant controls maintenance agreements	19,107	22,511
Other expenses	132,893	36,113
	<u>\$816,795</u>	<u>\$503,884</u>

*2018 expense over accrued

Generation (cont'd)

<u>Maintenance of Boiler Plant – Pollution Control - (512-007)</u>	<u>2019</u>	<u>2019</u>
	<u>Budget</u>	<u>Actual</u>
Labor	\$100,116	\$94,047
Continuous emission monitoring expenses	44,751	34,475
PAC (powdered activated carbon) injection system costs	4,500	-7,328
Miscellaneous precipitator repairs	15,752	1,087
Miscellaneous limestone handling equipment repairs	1,333	-
Wastewater equipment maintenance	3,301	9,263
Scrubber waste equipment repairs	1,667	71
Process piping repairs	15,000	-
Stack duct baloon	7,500	-
Repair motor for 9B reheat condensate return unit pump #1	-	1,997
Repair 300 horsepower motor	-	8,731
Absorber spray impeller replacement	6,000	-
Install deflector in 902 limestone silo	-	4,687
Absorber spray tower 901 inspection and cleaning	-	7,111
Replace T-902 A&B valves	-	10,224
Replace T-901 A&B demister valves	-	2,489
Repair expansion joint for 902 tower	-	8,316
901 waste disposal hydraulic feed pump A inspection	-	2,124
901 waste disposal hydraulic feed pump B inspection	-	3,131
FGD 902 absorber spray pump discharge expansion joint	-	5,471
FGD insulation repair	-	3,529
FGD hydroclone repairs/replacements	5,000	18,172
Install Stackvision client in unit 9 control room	2,100	-
902 WFC motor inspection/repair	8,000	-
902 absorber spray pump motor	8,000	-
901 booster fan motor clean/inspect/repair	14,000	-
WDHFP discharge valves to Clarkson	9,800	-
Other expenses	<u>9,396</u>	<u>10,283</u>
	<u>\$256,216</u>	<u>\$217,880</u>

Generation (cont'd)

<u>Maintenance of Electric Plant - (513-008)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$93,607	\$75,202
Unit 8 repair 2,400 volt auxillary supply breaker	-	4,483
Unit 8 UPS battery replacement	6,000	-
Unit 8 stop valve and CV valve inspection and repair	87,000	-
Unit 9 replace CV-2 relay	5,000	-
Unit 9 rebuild two traveling screens	55,000	-
Unit 9 replace screen covers	32,000	-
Unit 9 transformer & turbine oil samples	3,700	2,552
Unit 9 PDA online data collection and analysis	-	10,914
Unit 9 turbine/generator overhaul *	-	405,507
Unit 9 replace chlorine injection pump	9,800	-
Unit 9 clean heat exchangers	7,200	-
Unit 9 annual H2 tank inspection with relief valve	2,500	-
Unit 9 auxiliary transformer repairs, hot oil process	22,000	-
Unit 9 miscellaneous plant maintenance	24,500	14,530
Unit 8A miscellaneous plant maintenance	5,833	1,864
Unit 8 miscellaneous plant maintenance	6,067	9,611
Unit 7 miscellaneous plant maintenance	8,987	165
GE, EX-2000, and Mark V service agreement	6,300	4,557
Other expenses	<u>2,433</u>	<u>83</u>
	<u>\$377,927</u>	<u>\$529,468</u>

*2018 expense not accrued.

Maintenance of Miscellaneous Steam Plant – (514)

Materials expenses are lower than budgeted primarily due to \$28,000 budgeted for updating air dryer controls, \$13,500 for chain fall hoist inspection and repair, and \$5,775 for the annual Spider inspection and repair; each of these budgeted items has not occurred. Labor expenses are \$16,716 lower than budgeted. Gasoline and diesel fuel expenses are \$1,167 lower than budgeted.

Generation (cont'd)

<u>Maintenance of Coal Handling Equipment - (516)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$92,038	\$92,314
Rail car maintenance	67,833	37,601
Dozer maintenance	26,700	24,906
Coal conveyor maintenance	22,934	32,914
Unit 9 crusher house wash down pump	-	2,879
9B coal gate replacement	18,100	-
PC-1 load chute door inspection	-	1,814
Belt roller/idler replacement	2,000	-
DC14A rotary lock gear reducer replacement	-	1,469
DC-14A double flight screw	10,000	-
Hydromatic sump pump and impeller	-	8,423
Rail unloader maintenance	4,164	15,445
Temporary labor services	18,500	-
Other expenses	<u>11,441</u>	<u>11,143</u>
	<u>\$273,710</u>	<u>\$228,907</u>

<u>System Control and Load Dispatch - (556)</u>	2019	2019
	<u>Budget</u>	<u>Actual</u>
Labor	\$41,572	\$55,158
SCADA Dark Fiber service & BUCC MME services	6,505	6,312
MISO operating & administrative fees	57,332	54,212
MISO & APDA memberships	1,126	1,000
Travel and training	-	-
Other expenses	<u>2,526</u>	<u>1,595</u>
	<u>\$109,061</u>	<u>\$118,277</u>

Depreciation – (558)

At the end of 2018, 80 railcars were sold. This was not anticipated in the budget.

TransmissionStation Expense – (562)

Labor expense is \$13,141 lower than budgeted. Materials expenses are \$6,366 higher than budgeted.

Overhead Line Expense – (563)

Labor expense is \$16,338 higher than budgeted.

Transmission of Electricity by Others – (565)

The cost of MISO's multi-value transmission and market efficiency projects are \$154,608 lower than budgeted.

Miscellaneous Transmission Expense – (566)

Materials expenses are \$6,270 lower than budgeted.

Transmission (cont'd)Maintenance of Overhead Lines – (571)

Labor expense is \$10,956 lower than the budget. Materials expenses are \$6,348 lower than budgeted.

Vacation, Holiday, Sick Leave – (575)

Transmission workers' sick leave usage was lower than anticipated.

Depreciation – (576)

Prior year capital additions were less than budgeted resulting in less depreciation than budgeted for 2019.

DistributionOperation Supervision – (580)

Labor expense is \$8,256 lower than budgeted.

Station Expense – (582)

Labor expense is \$18,063 lower than budgeted.

Overhead Line Expense – (583)

Labor expense is \$1,158 lower than budgeted. The budget includes \$11,900 for electric line workers' tools and tool repairs, plus \$2,000 for Lean initiative expenses that have not been needed.

Vehicle Expense – (589)

Vehicle labor and materials expenses are lower than the budget by \$7,088 and \$6,178 respectively. Gasoline and diesel fuel usage is \$1,896 greater than budgeted.

Street Lighting – (585-418)

Labor and materials expenses are \$5,493 and \$2,488 lower than budgeted, respectively.

Signal Expense – (585-419)

Labor expense is \$4,474 lower than budgeted.

Miscellaneous Distribution Expense – (588)

Labor expense is \$33,713 higher than budgeted; the electric line workers' labor makes up \$16,792 or 49.8% of this total. The share in MAGIC's operating expenses is \$15,347 lower than budgeted; other materials expenses are \$8,983 higher than budgeted. Temporary labor services, totaling \$28,093, were not budgeted. Travel and training expenses are \$4,177 lower than budgeted. Fire retardant clothing expenses are \$3,291 higher than budgeted.

Maintenance Supervision – (590)

Labor expense is \$8,541 lower than budgeted.

Maintenance of Overhead Lines – (593)

Labor and material expenses are \$55,643 and \$9,394 higher than the budgeted, respectively, due to more repairs.

Distribution (cont'd)Maintenance of Underground Lines – (594)

Labor and materials expenses are \$21,726 and \$8,216 lower than budgeted, respectively, due to less repairs.

Maintenance of Line Transformers – (595)

Labor expense is \$874 higher than budgeted. Materials expenses are lower than budgeted primarily due to \$12,576, not budgeted, for repairing three padmount transformers offset by returning a 15-kV switchgear back into stores for \$26,413, also not budgeted. Other miscellaneous materials expenses are \$4,033 higher than budgeted.

Maintenance of Street Lighting – (596-STL)

Labor expenses are \$6,639 lower than budgeted. Materials expenses are \$17,608 lower than budgeted primarily due to \$10,000 budgeted to paint 20 poles not completed and returning decorative streetlights back into stores for \$9,016, offset by more repairs.

Maintenance of Signal Expense – (596-419)

More than anticipated signal repairs resulted in \$9,408 higher labor than budgeted. Materials expenses are \$9,792 higher than budgeted. This includes \$3,301 for a video detection video processing card, \$2,590 for replacing the signal cabinet at the bridge, and \$3,283 for replacing the signal cabinet and output file at Dick Drake Way due to failure; none of these items were budgeted.

Vacation, Holiday, Sick Leave – (599)

The electric line workers' sick leave usage was higher than anticipated.

Depreciation – (578)

Substation, underground, street light, and signal system assets were estimated at a higher cost than 2018 year-end actual due to capital projects not being completed.

Customer Service Expense

<u>Customer Information Expense - (909)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Marketing</u>			
Media advertising	\$5,099	\$2,935	\$4,348
MP&W Newsletter	1,238	1,632	775
Billing services	1,834	210	-
Promotional materials	10,670	2,080	275
Photo library	1,341	-	162
Subtotal - Marketing	20,182	6,857	5,560
<u>Energy Services</u>			
Trees Forever	13,000	13,000	13,000
Questline-EE newsletter service and customer awareness programs	8,168	120	-
Customized energy efficiencies	400	-	-
Customer light bulb exchange program (LED/CFL)	1,332	954	1,361
Youth education (science fair/poster contest)	100	2,763	1,850
Subtotal - Energy Services	23,000	16,837	16,211
Miscellaneous	501	2,624	422
	<u>\$43,683</u>	<u>\$26,318</u>	<u>\$22,193</u>

<u>Energy Efficiency Rebates - (912)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Commercial lighting	\$13,600	\$8,696	\$11,899
Compact fluorescent lighting	1,000	385	1,079
Air conditioning	9,300	3,887	5,630
Refrigerator	1,540	720	1,620
City building improvement	2,000	-	-
Washing machine	1,333	500	1,650
Customized energy efficiency	-	-	20
Water heater	2,400	550	2,300
Geo-thermal	2,400	50	2,425
Motor	16,000	-	38,150
Dishwasher	667	350	825
	<u>\$50,240</u>	<u>\$15,138</u>	<u>\$65,598</u>

Consumer AccountsMeter Reading Expense – (902)

Labor expenses are \$8,925 higher than budgeted. Temporary services are \$623 lower than budgeted.

<u>Consumer Records and Collection - (901 & 903)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	\$145,707	\$137,569	\$131,057
Temporary labor services	4,632	5,517	4,045
Postage	9,613	11,498	11,411
Payment processing fees *	19,718	16,515	25,715
Collection fees	3,028	773	3,026
Integrated voice response service	614	728	620
Travel/training	433	417	-
Gasoline/diesel fuel	1,000	467	363
Other	2,864	1,620	1,738
	<u>\$187,609</u>	<u>\$175,103</u>	<u>\$177,976</u>

*Refund of prior fees of \$4,309 received.

Administrative and GeneralAdministrative and General Salaries – (920)

Labor expenses are \$26,318 lower than budgeted.

<u>Office Supplies - (921)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General office supplies/phone	\$15,204	\$14,576	\$15,284
Memberships/subscriptions	6,889	14,694	10,887
Internet/MME	5,876	5,792	5,658
Office furniture	6,065	75	4,833
Computer hardware/software	8,296	7,735	9,361
Postage	3,645	214	2,343
Maintenance agreements	-	2,046	-
Vehicle allowance	4,754	4,853	4,754
Vehicle maintenance	3,233	1,426	1,466
Gasoline/diesel fuel	1,333	863	935
Other	9,482	18,675	3,402
	<u>\$64,777</u>	<u>\$70,949</u>	<u>\$58,923</u>

Administrative and General (cont'd)

<u>Outside Services Employed - (923)</u>	<u>Resp</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
	<u>Code</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Organizational development consulting	120-Sal	\$13,500	\$6,733	\$29,100
Succession planning	110-Board	-	15,333	-
Legal services	140-Brandy	13,100	104	2,978
Environmental legal services	140-Brandy	6,250	14,430	-
Transmission/reliability standards legal services	140-Brandy	21,000	2,553	4,398
Coal & transportation attorney	140-Brandy	1,664	-	-
Bond counsel	140-Brandy	750	-	-
Labor attorney	140-Brandy	1,680	3,479	-
CIP compliance consulting	145-Seth	30,000	2,022	1,263
NERC compliance consulting	145-Seth	28,750	29,400	2,138
Web design service	224-Rick	1,417	525	1,409
Insurance advisor	310-Jerry	13,608	13,608	13,608
Financial audit services	320-Cassie	40,604	32,873	37,675
Cost of service study	320-Cassie	25,000	11,268	-
Coal & transportation consulting	331-Brad	26,000	25,000	26,000
Fuel procurement committee consulting	331-Brad	3,000	-	-
509A Actuary	410-Erika	891	790	790
Benefits consulting	410-Erika	18,776	11,340	11,340
Pension Study / GASB 67/68 Report	410-Erika	13,499	-	(12,150)
Employee search services	410-Erika	24,300	-	49,800
Director professional counseling	410-Erika	-	7,229	-
Engineering compensation review	410-Erika	8,100	-	-
Employee survey	410-Erika	8,100	-	-
MISO consultant	610-Gage	833	-	-
Coal pile survey	612-Neal	10,000	-	449
		<u>\$310,823</u>	<u>\$176,687</u>	<u>\$168,798</u>

Property Insurance – (924)

The premium for property insurance was budgeted to increase 7%; the actual year over year increase is 14.5%.

Injuries and Damages – (925)

Workers compensation claims are \$75,015 higher than the budget, which was calculated using 6 years of historical data. The casualty insurance expense budget assumed 5-7% premium increases; actual premium costs increased only slightly resulting in \$4,212 lower expense.

Administrative and General (cont'd)

<u>Employee Pensions and Benefits (926)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Pension	\$1,051,319	\$1,051,319	\$1,004,680
Healthcare costs	804,561	787,824	781,604
FICA	428,525	447,013	418,685
Deferred comp utility match *	94,710	131,046	123,305
Dental	29,200	30,828	30,537
Educational reimbursements	9,450	5,257	4,425
LTD insurance *	19,697	29,772	18,948
Life insurance	15,272	15,495	14,761
Post-employment health benefit	10,546	10,546	10,431
Recognition dinner	14,426	12,057	14,907
Unemployment expenses	8,100	-	1,788
Other expenses	12,716	10,218	10,398
	<u>\$2,498,522</u>	<u>\$2,531,376</u>	<u>\$2,434,469</u>

*Deferred compensation higher than budget due to higher employee contribution in the early months of the year; budget spreads evenly.

*LTD premiums increased 50%

Regulatory Commission – (928)

Iowa Utilities Board assessments were lower than budgeted.

<u>Miscellaneous General Expense (930)</u>	2019	2019	2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	\$28,078	\$9,912	\$8,675
APPA dues	12,664	11,555	10,863
IUB Iowa Energy Center	18,252	19,173	17,896
IAMU membership	14,000	13,890	13,359
GMCCI Economic Pledge/Projects	34,020	34,020	915
Legal publications	1,755	3,526	1,349
General CIP Expense	35,000	244	-
Continuous Improvement	6,642	2,034	-
Financial Annual Report	4,455	-	-
Subscriptions/memberships	12,797	8,569	12,062
Employee team expenses	19,035	5,115	14,022
Training/travel	61,674	24,033	23,038
Safety-related expenses	1,542	1,558	1,718
Labor	16,793	10,531	10,477
Temporary labor services	9,973	19,025	15,126
Board trustee fees	2,430	2,430	2,430
Freight	4,340	-	6,780
Other expenses	20,937	30,470	10,991
	<u>\$304,386</u>	<u>\$196,087</u>	<u>\$149,701</u>

Administrative and General (cont'd)Maintenance of General Plant – (932)

Maintenance agreements are \$57,968 lower than budgeted; \$46,343 of this variance is for larger agreements with Microsoft, Champs, SecureWorks, and Advanced Business Systems where expense was either lower than budgeted or budgeted but not incurred due to timing. Materials expenses are \$9,104 lower than budgeted. Memberships and subscriptions are \$9,180 lower than budgeted.

Maintenance of A/O Center – (934)

Labor expenses are \$8,487 higher than budgeted. Materials expenses are \$26,567 higher than budgeted; \$6,600 of this variance is for cabinets in the head end, \$6,172 is for a semi-annual HVAC preventative maintenance inspection, \$4,356 is for repairing the yard gate, \$2,732 is for installing a new exterior PTZ camera overlooking the north parking lot, and \$1,242 is for servicing the two pond pumps; each of these items were not budgeted. Temporary labor services are \$4,204 lower than budgeted.

Vacation, Holiday, Sick Leave – (936)

The A/O Center workers' sick leave usage was higher than anticipated.

Depreciation – (933)

The budget, in error, did not include any depreciation due to the assumption that accumulated depreciation would be higher than the asset values.

Electric Utility
Statement of Net Position Review
April 2019

	<u>2019</u>	<u>2018</u>
<u>Current Assets</u>		
<u>Consumer Accounts</u>		
Customer Electric Accounts	\$5,531,666	\$4,976,735
Unbilled Revenue	539,576	506,558
Utility loan program	483	2,872
Merchandise Accounts	550,425	494,470
Allowance for Doubtful Accounts	(6,701)	(12,669)
	<u>\$6,615,449</u>	<u>\$5,967,966</u>
<u>Inventories</u>		
Inventory	\$5,125,765	\$4,898,166
Emission Allowance - SO2	122,689	121,306
Emission Allowance - Nox	8,466	5,370
Stores Expense	143,072	76,429
Gas and Diesel Fuel	146,098	139,881
Limestone	30,135	138,769
	<u>\$5,576,225</u>	<u>\$5,379,921</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$1,091,626	\$934,852
APPA dues	11,293	11,030
Cottingham & Butler services	9,072	5,670
GP Strategies	9,838	9,281
IA Dept Comm Global Warming	23,967	22,370
IAMU annual dues	35,239	34,213
MMTG membership	---	1,638
NERC assessment	6,987	7,411
OATI digital certificates	1,463	7,313
SOS International	4,801	10,866
Prepaid Maintenance Contracts	320,759	238,397
Prepaid Travel	28,375	31,726
Other Prepaid Expenses	3,425	782
	<u>\$1,546,845</u>	<u>\$1,315,549</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$10,000 itemized)</u>		
Water bills	\$33,192	\$31,578
Communications bills	14,212	14,182
Alliant Energy - gas	12,865	10,127
Alstom Power - coal pipe/liners	44,780	---
Bank of America - supplies	---	26,628
Benetech - dust suppressant	21,977	---
Black & Decker - overheads/workbenches	20,011	---
Black & Veatch - engineering services	9,129	9,129
BNSF Railway - coal transport	256,971	499,627
Bodine Services - abrasive blast	---	10,208
Buckskin - coal	132,379	267,615

Canadian Pacific Railway - coal transport	70,566	190,838
City of Muscatine - wastewater/sanitation/Mississippi Dr project	111,494	170,062
Cogsdale - business system implementation	24,618	62,994
Cottingham & Butler - wc claim services	15,591	11,393
Elan - supplies	20,000	---
Harold Beck & Sons - beck boards	30,543	---
HR Green - CCR compliance	28,868	---
Intertek - boiler analysis	10,000	12,960
IA DNR - Title V Fee	413,046	331,379
Iowa Chicago & Eastern RR - coal transportation	---	38,930
Iowa Utilities Board - assessment	17,738	35,532
Jefferies Refined Coal - refined coal	2,412,157	2,731,888
Krieger Motor - Ford Supercab	---	28,149
MAGIC - operating expenses/ESRI maintenance/license	---	25,835
Midamerican - line maintenance	52,500	13,902
MISO - purch power/trans svc/admin fee	398,560	332,595
Mostardi Platt - emission testing	31,180	27,772
Ragan - #9 boiler tube shields	151,564	---
South Fork Wind - energy	88,107	124,225
Southwest Electric - service #9 transformer	---	27,568
Staples Technology - thinkpads	---	20,357
Tenaska - monthly fee	17,500	17,500
Terry-Durin - cable	---	85,708
Van Meter - parts	70,237	---
Visa - travel	---	21,718
Wear Concepts - pulverizer repair	---	15,215
WESCO -poles, fuses	63,420	---
Woodruff Construction - headend	116,149	---
W-S Specialty Services - #9 deslagging	---	10,756
Other	232,727	357,286
	<u>\$4,922,081</u>	<u>\$5,563,656</u>

Miscellaneous Accrued Expenses

Interest on Customer Deposits	\$89,900	\$84,193
Sales/Use Tax Collections Payable	45,170	44,806
Payroll Tax Collections Payable	178,745	168,662
Workers' Comp Self Insurance Reserves	335,826	312,774
Comp Time Payable	41,307	57,548
Employee team bank	65,602	59,973
	<u>\$756,550</u>	<u>\$727,956</u>

Water Utility

Review of Operating Results

April 2019

MUSCATINE POWER AND WATER - WATER UTILITY
VARIANCES FROM BUDGETED NET POSITION - April 30, 2019

		(Unfavorable)/ Favorable Compared to <u>Budget</u>
Sales of Water		
Contract Customers	\$ (16,560)	GPC consumption is 1.2% lower than budget, plus a 0.2% lower billing rate
	(3,499)	Heinz's consumption is 9.0% lower than budgeted, offset by a 6.3% higher billing rate
	(3,981)	Power plants' consumption is 11.7% lower than budgeted, offset by a 10.0% higher billing rate
	(5,332)	Residential consumption is 1.4% lower than budgeted, offset by a 0.6% higher billing rate
	(6,035)	Commercial consumption is 2.0% higher than budgeted offset by a 4.8% lower billing rate
	<u>(35,407)</u>	
Other Revenue		
Merchandise & Job Sales-Net	(4,706)	Lower job sales revenue
Miscellaneous Revenue	2,880	Posting fees \$1,270 higher
	<u>(1,826)</u>	
Operating Expense		
Operation	1,458	Dehumidifier for West Hill pumping station, not expended
	(47,743)	Higher fuel/power purchased due to a 19.1% higher cost per gallons pumped, offset by 2.6% lower gallons pumped
	5,343	Lower chemicals expense due to fewer gallons pumped compared to budget
	(8,685)	Higher water treatment materials expenses, including \$5,812 for electricity
	(6,672)	Higher electricity expense for storage facilities
	(2,824)	Higher meter expenses
	(6,988)	Professional engineering services, not budgeted
	(13,024)	Higher cost for vehicle operations expenses
	1,801	Lower cost for customer information expenses
	1,747	Lower cost of credit card processing fees, due to receiving \$1,904 refund
	8,732	Cost of service study
	1,475	Employee search services, not expended
	(7,883)	Higher workers compensation claims
	4,870	Lower health care cost
	18,397	Lower FICA expense
	(1,763)	Higher cost for gasoline/diesel fuel
	(20,242)	Lower fringe benefits charged to construction, due to timing of capital projects
	1,412	Travel and training lower than budgeted
	1,203	Lower wellness committee expenses
	1,603	Lower employment expenses
	35,998	Lower labor, sick, personal and vacation expense
	35,858	Other miscellaneous variances - net
	<u>4,073</u>	
Maintenance	(36,750)	Timing of well cleaning for Well 35 and chlorination of Well 40
	1,300	Supply main maintenance not begun
	969	Well building repairs, fencing at wells, and roof repairs not begun
	(27,668)	Timing of Well 32 & 35's pumping equipment repairs and valve purchases vary from budget
	11,828	Lower labor expense for pumping equipment repairs
	9,000	Two exhaust fans at Grandview treatment building, not expended
	8,000	Fresh air heater in fluoride room, not expended
	6,000	Removal of asbestos tiles at the mainfield, not completed
	(3,597)	Higher cost of water treatment structure maintenance, including piping repairs
	(5,587)	Relocating chemical feed pumps at Progress Park treatment building, not budgeted
	16,104	Lower cost of main repairs due to concrete repairs delayed
	(2,983)	Higher cost for valve repairs
	(3,328)	Higher cost for meter maintenance
	3,570	Lower cost of hydrant repairs
	2,000	Gasoline and diesel fuel is being expensed to operations
	9,010	Lower cost for software/hardware maintenance agreements
	(11,054)	Other miscellaneous variances - net
	<u>(23,186)</u>	
Depreciation	<u>14,351</u>	
Nonoperating Revenue (Expense)		
Interest Income	13,065	Higher average cash balances than projected
	<u>13,065</u>	
Change in Net Position	<u>\$ (28,930)</u>	Total Variance in Budgeted Net Position

Statements of Revenues, Expenses and Changes in Net Position

Sales of Water

- Contract customers' water usage is 1.9% lower than budgeted resulting in \$20,059 lower revenue. GPC's usage was 1.2% lower than budget along with a 0.2% lower billing rate, resulting in \$16,560 lower revenue. Heinz's usage was 9.0% lower than budget offset by a 6.3% higher billing rate, resulting in \$3,499 lower revenue.
- Power plants' usage was 11.7% lower than budget, offset by a 10.0% higher billing rate, resulting in \$3,981 lower revenue.
- Residential customers' water usage was 1.4% lower than budgeted, offset by a 0.6% higher billing rate, resulting in \$5,332 lower revenue.
- Commercial customers' water usage was 2.0% higher than budgeted, offset by a 4.8% lower billing rate, resulting in \$6,035 lower revenue.

Other Revenue

- Job sales revenue is \$4,706 lower than budget.
- Posting fees are \$1,270 higher than budgeted.

Nonoperating Revenue (Expense)

- Interest income is \$13,065 higher than budget due to higher cash balances than projected.

Year-To-Date Summary of Expenses

Source of Supply

Operation Labor and Expenses – (601)

- Budget includes \$1,458 for a dehumidifier for West Hill pumping station that has not been expended.
- Labor expense is \$225 lower than budgeted.

Maintenance of Wells – (614)

- Actual expense is for cleaning of Well 35 at \$35,400 and chlorination of Well 40.

Maintenance of Supply Mains – (616)

- Reversal of estimated labor expense resulted in a negative expense.
- Maintenance has not begun; budget included \$875 for materials and \$407 for labor.

Depreciation – (618)

- Depreciation under budget \$2,444 primarily due to well projects not closed at the end of 2018.

PumpingFuel or Purchased Power – (623)

- The cost per kWh was 13.4% higher than budget primarily due to the higher energy adjustment charge, plus the wells required more kWhs than budgeted due to extreme cold weather this past winter, resulting in the need to run wells to prevent freezing. For these reasons, power expense was \$47,743 higher than budgeted.

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Fuel or Power Purchased	\$ 299,651	\$ 347,394	\$ 297,949
1,000 Gallons Pumped	<u>3,426,719</u>	<u>3,337,535</u>	<u>3,369,392</u>
Cost per 1,000 Gal. Pumped	0.0874	0.1041	0.0884
kWhs Consumed	5,014,561	5,127,560	5,093,380
kWh per 1,000 Gal. Pumped	1.46	1.54	1.51

Pumping Labor and Expenses – (624)

- Water production labor under budget \$4,246.
- Water distribution labor greater than budget \$1,530.
- Control center labor budget equals \$7,530; actual labor is not being charged to this account.
- Material expenses are \$864 lower than budgeted.

Maintenance of Structures – (631)

- Budgeted materials of \$833 and \$136 labor for well buildings, fencing at the wells, and roof repairs has not been expended.

Maintenance of Pumping Equipment – (632/633)

- Materials expenses over budget by \$39,495, due to timing of valve purchases, and repairs. Well 32 and 35's pumping equipment were repaired at costs of \$15,660 and \$21,445, respectively.
- Labor expense is under budget by \$11,828, which includes \$5,170 for the planning & scheduling department, \$5,296 for substation electricians, and \$1,844 for power plant electrician's labor.

Water TreatmentChemicals Expense – (641)

- Chemical expense year-to-date is \$5,343 lower than budgeted primarily due to lower gallons pumped compared to budget.

	<u>2019 Budget</u>			<u>2019 Actual</u>			<u>2018 Actual</u>		
1,000 Gal. Pumped	3,426,719			3,337,535			3,369,392		
(lbs)	Units	\$	Per Unit	Units	\$	Per Unit	Units	\$	Per Unit
Chlorine	49,293	\$ 15,419	\$ 0.313	53,470	\$ 16,576	\$ 0.310	50,470	\$ 15,141	\$ 0.300
Hydrofluoro-silic Acid	70,438	\$ 22,540	\$ 0.320	61,571	\$ 17,182	\$ 0.279	69,050	\$ 30,413	\$ 0.440
Phosphate	41,176	\$ 39,117	\$ 0.950	37,675	\$ 37,975	\$ 1.008	41,329	\$ 39,497	\$ 0.956
Total		\$ 77,076			\$ 71,733			\$ 85,051	

Water Treatment (cont'd)Operation Labor and Expenses – (642)

- Water production labor over budget \$10,591; other labor is over budget \$1,364.
- Materials expense over budget \$8,685, including \$5,812 for electricity.

Miscellaneous Expense – (643)

- Water distribution labor is under budget \$1,806.
- Materials expense under budget \$426.

Maintenance of Structures – (651)

- Budget includes \$9,000 for two exhaust fans at Grandview treatment building, \$8,000 to replace fresh air heater in fluoride room, and \$6,000 for removal of asbestos tiles at the mainfield that have not been expended.
- Labor expense is \$3,597 higher than budgeted; plant electricians charged \$1,246 more time to this account than budgeted.

Maintenance of Purification Equipment – (652)

- The water distribution operators charged \$5,587 labor to this account that was not budgeted. The operators relocated chemical feed pumps at Progress Park treatment building away from the new communications fiber installation. Other labor expenses are \$2,120 higher than budgeted.

Depreciation – (654)

- Depreciation under budget due to the new well field water treatment plant project not completed in 2018.

DistributionStorage Facilities Expense (661)

- Electricity expense over budget \$6,672.

Transmission & Distribution Lines Expense (662)

- Labor expense is \$2,578 lower than budget, which includes \$1,973 for the water distribution department.

Meter Expense (663)

- Labor expense under budget \$5,400.
- Material expense is \$2,824 over budget

Customer Installation Expense – (664)

- Outside services department labor under budget \$6,493 primarily due to fewer locates.
- Other labor is lower than budget by \$1,540; and material expense is under budget by \$1,184.

Miscellaneous Expense – (665)

- Engineering department labor under budget \$28,823.
- Professional engineering services, not budgeted, totaled \$6,988.

Distribution (cont'd)

Vehicle Expense – (667)

- Labor under budget \$2,811.
- Gasoline/diesel fuel usage is \$2,242 higher than budgeted.
- Material maintenance costs are \$13,024 higher, including \$4,888 for the dump truck repairs, and \$3,081 for a salt spreader.

Maintenance of Mains – (673)

- Water distribution department labor over budget \$8,396 due to a high number of main breaks repaired at overtime rates.
- Other labor expense over budget \$2,459.
- Materials expense under budget \$26,959 due to lower number of concrete repairs.

Maintenance of Valves – (674)

- Water distribution operators' labor expense is \$3,692 higher than budget.
- Materials expense under budget \$1,474.

Maintenance of Meters – (676)

- Materials expense over budget \$4,428 primarily due to higher cost for remote meter repairs.
- Labor expense under budget \$1,100.

Maintenance of Hydrants – (677)

- Water distribution department labor under budget \$1,822.
- Materials expenses under budget \$1,611.

Maintenance of Miscellaneous Plant – (678)

- Vehicle material repairs under budget \$1,752.
- Fuel usage, budgeted at \$2,000, is being charged to vehicle expense (account 667).

Vacation, Holiday, Sick Leave – (679)

- Vacation accrual expense lower by \$19,690, due to departmental expenses being allocated to different accounts compared to budget.
- Sick leave and holiday pay higher than budget by \$4,233.

Customer Service ExpenseCustomer Information Expense – (909)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Billtrust	\$ 120	\$ 93	\$ 89
Postage	190	-	-
Promotional Material/Education	2,469	893	326
Media Advertising	2,255	1,167	1,020
Newsletter	547	679	322
Marketing intern	-	1,011	-
Customer Awareness Programs	-	53	-
Presentation Materials	-	-	-
Photo Library	116	-	14
	<u>\$ 5,697</u>	<u>\$ 3,896</u>	<u>\$ 1,771</u>

Consumer AccountsMeter Reading Expense – (902)

- Labor expense is \$4,742 over budget.
- Materials expenses under budget \$475.

Consumer Records and Collection – (901/903)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Labor	\$ 59,046	\$ 55,711	\$ 53,404
Credit Card Processing	4,560	2,813 *	6,979
Billtrust Expense	1,938	2,309	2,309
Postage	4,247	5,080	5,020
Temp Services	2,047	2,322	1,787
Fuel	600	216	163
Invoice Cloud	788	897	848
Collection Expense	1,338	341	1,312
IVR	271	322	274
Other Expenses	2,789	2,784	1,996
	<u>\$ 77,624</u>	<u>\$ 72,795</u>	<u>\$ 74,092</u>
*Includes \$1,904 refund for prior period fee			

Vacation, Holiday, Sick Leave – (906)

- Sick leave usage was lower than expected by \$1,722.
- Vacation accrual expense is \$674 lower than budgeted.

Administrative and GeneralAdministrative and General Salaries – (920)

- Expense allocation varied from budget for human resources, marketing, water utility's supervision, and system administrators.

Outside Services Employed – (923)

	Resp Code	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Succession Planning	110-Board	\$ -	\$ 1,254	\$ -
Organizational Development	120-Sal	1,167	582	2,515
Labor Legal Services	140-Brandy	400	555	-
General Legal Services	140-Brandy	700	269	239
Web Graphics	224-Rick	626	217	122
Insurance Advisor	310-Jerry	1,176	1,176	1,176
Bond Services	310-Jerry	-	-	-
Audit Services	320-Cassie	3,509	2,864	3,256
Water Cost of Service Study	320-Cassie	20,000	11,268	-
509A Actuary Service	410-Erika	77	68	68
Compensation Reviews	410-Erika	700	-	-
Employee Search Services	410-Erika	2,100	625	1,874
Pension Study/ GASB Rpt	410-Erika	1,167	-	(1,050)
Employee Survey	410-Erika	700	-	-
Benefits Consulting	410-Erika	1,622	980	980
		<u>\$ 33,944</u>	<u>\$ 19,858</u>	<u>\$ 9,180</u>

Injuries & Damages – (925)

- Workers compensation claims over budget \$7,883.
- Insurance premiums are \$370 under budget.

Administrative and General (cont'd)Employee Pensions and Benefits – (926)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Health Care Cost	\$ 121,235	\$ 116,365	\$ 104,214
Pension	83,868	83,868	70,859
FICA	54,424	36,027	50,839
IPERS	19,315	19,370	19,543
Deferred comp utility match	11,070	10,446	14,047
Life, LTD & ADD	4,230	3,707	3,972
Dental	4,400	4,559	4,072
OPEB	1,580	1,580	1,391
Other Expenses	4,046	3,926	4,507
	<u>\$ 304,168</u>	<u>\$ 279,848</u>	<u>\$ 273,444</u>

Fringe Benefits Charged to Construction – (927)

- Less time has been charged to capital projects than budgeted.

Miscellaneous General Expense – (930)

- Executives memberships/subscriptions higher than budget by \$1,120.
- Wellness committee expenses under budget \$1,203.
- Employment expenses under budget \$1,603.

Maintenance of General Plant – (932)

- Maintenance agreements under budget \$9,010.
- Vehicle maintenance subscription, not expended, totaled \$793.

Vacation, Holiday, Sick Leave – (936)

- Sick leave usage was \$1,718 higher than budgeted.
- Vacation accrual \$1,345 higher than the budget.

Depreciation – (654)

- Depreciation under budget due to fewer additions of vehicles, tools, lab and communications equipment in 2018 than anticipated.

**Communications Utility
Statement of Net Position Review
April 2019**

<u>Current Assets</u>	<u>2019</u>	<u>2018</u>
<u>Receivables - Consumer Accounts</u>		
Customer Communications Accounts	\$1,236,950	\$1,215,843
Unbilled Revenue	95,990	87,178
Merchandise Accounts	54,627	48,964
Allowance for Doubtful Accounts	(3,121)	(9,517)
	<u>\$1,384,446</u>	<u>\$1,342,468</u>
<u>Inventories</u>		
Inventory	\$187,749	\$178,796
Stores Expense (a/c 163)	6,095	3,171
	<u>\$193,844</u>	<u>\$181,967</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$60,437	\$52,005
Prepaid Maintenance Contracts	242,185	200,842
Muscatine Schools - E-rate customer	284,455	143,187
Other Prepaid Expenses	7,847	4,133
	<u>\$594,924</u>	<u>\$400,167</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Pole Rental	\$19,023	\$14,087
Advanced Computer Connections	10,377	---
Advanced Media Tech Inc	67,183	---
Atlantic Engineering Group - FTTH	181,905	32,989
Bank fees	3,605	4,360
Bauer Corporation	2,737	---
Big 10 - programming fee	9,469	9,713
BillTrust - bill processing	2,879	2,912
Centurylink - tel/access fees	7,868	3,839
City of Muscatine - Mississippi Dr project	---	11,251
Cogsdale - business system implementation	---	9,332
Comcast Sportsnet Chicago - programming fee	22,373	23,448
Cottingham & Butler - wc claim services	2,835	---
Dascom Systems Group - integration svc	104,969	---
Dell/Force 10 - software maintenance	9,432	---
Finley Engineering - prof services	10,435	---
Fox Sports Net Midwest - programming fee	22,716	23,705
Gray Television - programming fee	21,568	21,369
Grit Laff Escape Bounce	6,537	---
Imon - VoIP	6,700	4,500
Insight Direct - wireless routers	25,083	10,610
KGCW - programming fee	10,895	203,520
Marshall Broadcasting	18,537	---
MP Nexlevel - equipment installation	36,403	24,199
Muscatine Community College - public access	4,800	4,741
Natl Cable TV Coop - programming fee	207,846	213,780

Nexstar - programming fee	27,932	35,616
Power & Tel - terminals	---	15,173
Rovi Guides - programming fee	5,605	8,029
Staples Technology Solutions	---	2,999
Tower Distribution - programming fee	20,122	20,315
Univision - programming fee	6,675	6,905
Vubiquity - programming fee	4,311	6,906
WISI USA Inc	5,845	---
Other	46,221	30,097
	<u>\$932,886</u>	<u>\$744,395</u>

Miscellaneous Accrued Expenses

Sales/Use Tax Collections Payable	\$14,143	\$17,983
Franchise Fees Payable	13,588	14,613
Payroll Tax Collections Payable	19,682	17,902
Workers' Comp Self Insurance Reserves	47,204	43,544
Comp Time Payable	2,094	---
	<u>\$96,711</u>	<u>\$94,042</u>

Water Utility
Statement of Net Position Review
April 2019

	<u>2019</u>	<u>2018</u>
<u>Current Assets</u>		
<u>Receivables - Consumer Accounts</u>		
Customer Water Accounts	\$684,588	\$662,564
Unbilled Revenue	78,259	71,717
Utility loan program	3,589	4,920
Merchandise Accounts	9,796	6,559
Allowance for Doubtful Accounts	(3,481)	(7,584)
	<u>\$772,751</u>	<u>\$738,176</u>
<u>Inventories</u>		
Inventory	\$331,638	\$318,822
Stores Expense (a/c 163)	7,329	4,009
	<u>\$338,967</u>	<u>\$322,831</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$54,394	\$45,408
Prepaid Maintenance Contracts	18,005	14,137
Other Prepaid Expenses	(237)	(2,309)
	<u>\$72,162</u>	<u>\$57,236</u>
<u>Current Liabilities</u>		
<u>Accounts Payable (amounts over \$2,500 itemized)</u>		
Electric bills	\$100,794	\$84,196
Alexander Chemical Corp - chlorine	5,607	6,030
Anderson Process - filtration unit	—	2,722
Brown Supply - valves	14,743	—
C&C Contractors - concrete repairs	—	15,077
Cahoy Pump Service - well construction	5,153	—
Calacci - water plant expansion	86,674	—
City of Muscatine - Mississippi Dr project	57,399	179,569
Cogsdale - business system implementation	—	5,444
Core & Main - hydrants	9,653	13,327
Cummins	4,888	—
Hagerty Earthworks - water main transmission line	—	237,709
Heuer - concrete repair	4,402	—
Interstate Industrial - flow meters	—	8,790
IPERS - pension	8,889	5,943
Metering & Tech Solutions - encoders/meters	—	14,440
Mincer Ford - replace V69 engine	—	6,812
Mosaic Global Sales	—	14,427
Northway	56,845	—
Thompson Truck & Trailer - filter	—	3,938
Titan Machinery - install camera	4,291	—
Utility Equipment - couplings/valves	6,011	4,134
VESSCO - metering pumps	—	11,417
Watersmith Engineering - professional services	—	7,971
Wendling Quarries - rock/sand	—	3,868
Other	123,126	41,338
	<u>\$478,173</u>	<u>\$667,152</u>
<u>Customer Advances for Construction</u>		
R.L. Fridley Theaters, Inc	\$600	\$600
<u>Miscellaneous Accrued Expenses</u>		
Excise/Sales/Use Tax Collections Payable	\$13,748	\$7,608
Payroll Tax Collections Payable	15,616	15,814
IPERS Payable	7,714	3,060
Workers' Comp Self Insurance Reserves	32,128	29,486
Comp Time Payable	11,031	11,292
	<u>\$80,237</u>	<u>\$67,260</u>

Communications Utility
Review of Operating Results
April 2019

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY
VARIANCES FROM BUDGETED NET POSITION - APRIL 30, 2019**

(Unfavorable)/
Favorable
Compared to
Budget

Operating Revenue

Video Revenue	\$ (18,748)	Lower CATV revenues due to changes in subscriber mix offset by fewer subscribers (5,091 actual vs. 5,184 budget).
	17,969	Broadcast fee higher than budget due to bulk broadcast fee not budgeted
	272	Lower marketing promotional discounts due to more promotional programs offered
	(10,634)	Lower VOD/PPV sales due to fewer subscribers and less buys
	(33,584)	Lower ad sales
	14,045	higher converter rental revenue
	195	Other miscellaneous variances - net
	<u>(30,485)</u>	
Data/Internet Revenue	130,724	Higher cable modem revenues due to customers migrating to a higher level of service offset by fewer subscribers (Subscribers = 8,781 actual & 8,790 budget)
	(87,504)	Fiber service installs are behind schedule
	22,570	Lower promotional discounts due to fewer promotional programs offered
	12,043	Higher Wi-fi @ Home due to more subscribers
	5,562	Other miscellaneous variances - net
	<u>83,395</u>	
Phone	<u>(2,672)</u>	More customers than budgeted (187 actual vs. 258 budget)
MAN	<u>15,410</u>	More contracts than budgeted
Miscellaneous Revenue	<u>3,712</u>	Other miscellaneous variances - net

Operating Expense

Operation	56,630	Programming expense credit related to negotiated lower prior year expense
	52,194	Programming expense lower than budget due to fewer subscribers than budget
	19,648	Lower temp labor than budgeted, primarily due to DSRs and cable tech areas
	(26,060)	Higher cost of miscellaneous video materials expense, primarily stores issues
	(8,377)	Higher cost of miscellaneous data/internet materials expense, primarily stores issues
	(3,415)	Higher cost of electricity expense
	9,469	Lower cost of promotional materials
	3,250	Lower cost of media advertising
	(2,021)	Marketing intern not budgeted
	3,494	Lower credit card processing fees than budgeted, due to fee reimbursement
	(2,490)	Higher cost of records and collections temp labor
	1,993	Lower cost of collection expense
	2,000	FTTH OTT Hardware not purchased yet
	(2,244)	Higher cost of communications legal services
	3,600	Employee search services, not expended yet
	2,000	Pension study, not expended yet
	1,200	Employee survey, not expended yet
	(1,870)	FTTH support, not budgeted
	(12,315)	Higher cost of workers' compensation claims
	5,295	Lower cost of FICA expense
	39,364	Labor & vacation under budget
	9,996	Health care expenses lower than budgeted
	(5,637)	Higher cost of deferred compensation due to increased employee contributions
	2,062	Lower cost of wellness expenses
	10,842	Travel and training under budget
	(958)	Other miscellaneous variances - net
	<u>157,650</u>	
Maintenance	10,231	Labor under budget
	(1,612)	CATV drops maintenance materials higher than budget
	(3,381)	CATV fiber maintenance materials higher than budget
	1,575	CATV headend maintenance materials lower than budget
	(1,309)	CATV line equipment maintenance materials higher than budget
	(1,389)	Internet fiber maintenance materials higher than budget
	3,009	Internet headend maintenance materials lower than budget
	(672)	Internet line equipment maintenance materials higher than budget
	19,592	Maintenance agreements are lower than budget
	1,360	Memberships and subscriptions are lower than budget
	(2,226)	MAN fiber maintenance materials higher than budget
	1,460	MAN equipment maintenance materials lower than budget
	1,490	General plant maintenance materials lower than budget
	(2,912)	Other miscellaneous variances - net
	<u>25,216</u>	
Depreciation	<u>14,684</u>	Lower depreciation due to fewer fixed assets purchases in 2018 than anticipated

MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY
VARIANCES FROM BUDGETED NET POSITION - APRIL 30, 2019

Nonoperating Revenue (Expense)		
Interest Income	<u>39,758</u>	More interest income due to higher cash balances & higher rate of return
Change in Net Position before Capital Contributions	<u>306,668</u>	
Capital Contributions	<u>4,821</u>	
Change in Net Position	<u>\$ 311,489</u>	Total Variance from Budgeted Net Position

Statement of Revenues, Expenses and Changes in Net Position

Operating Revenues

Video

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Total Subscribers (incl. Bulk)	5,184	5,091	5,472
Revenue:			
Basic	\$ 49,470	\$ 52,251	\$ 51,399
Select	977,987	1,143,391	1,197,429
Preferred	439,667	230,216	221,569
Premium	52,889	67,969	74,549
Bulk	77,330	84,768	77,454
Broadcast fee	269,945	287,914	246,804
PPV	6,868	4,288	4,937
VOD	<u>29,690</u>	<u>21,636</u>	<u>33,620</u>
Subtotal	\$ 1,903,846	\$ 1,892,433	\$ 1,907,761
Set top box rentals	310,086	324,131	315,021
Ad insertion revenue	109,500	75,916	89,683
Other Video revenues	<u>15,839</u>	<u>16,064</u>	<u>13,483</u>
Gross Video revenue	\$ 2,339,271	\$ 2,308,544	\$ 2,325,948
Discounts	<u>(63,310)</u>	<u>(63,068)</u>	<u>(47,250)</u>
Net Video Revenue	<u>\$ 2,275,961</u>	<u>\$ 2,245,476</u>	<u>\$ 2,278,698</u>
Net Monthly Revenue per Subscriber	\$ 109.76	\$ 110.27	\$ 104.11
Year-over-Year Increase		5.9%	

- Broadcast fee revenue is higher than budgeted due to bulk subscriber broadcast fee not budgeted.
- Discounts are lower than budgeted due to fewer promotional discounts offered to date.
- Revenue allocation between select, preferred and premium packages incorrectly budgeted.

Data/Internet Revenue

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Customers	8,790	8,781	8,660
Revenue:			
Cable modem	\$ 1,245,116	\$ 1,375,840	\$ 1,781,230
Fiber service	664,807	577,303	66,242
Wi-fi @ Home	96,616	108,659	97,486
Wimax	27,813	29,202	31,241
Modem rentals	103,323	106,706	101,421
Other internet revenues	<u>18,083</u>	<u>18,873</u>	<u>18,277</u>
Gross internet revenues	\$ 2,155,758	\$ 2,216,583	\$ 2,095,897
Discounts	<u>(78,493)</u>	<u>(55,923)</u>	<u>(61,866)</u>
Net internet revenues	<u>\$ 2,077,265</u>	<u>\$ 2,160,660</u>	<u>\$ 2,034,031</u>
Net monthly revenue per subscriber	\$ 59.08	\$ 61.52	\$ 58.72

- Cable modem revenues are higher; although overall residential subs are slightly below budget, there has been a lot of migration from lower speed services (Lite and Turbo) into higher speed services (Nitro, Xtreme50 and Xtreme100) and not as many customers have been converted to Fiber than budgeted.
- Discounts are less than budgeted due to fewer promotional discounts offered to date.

Phone

Revenue is \$2,672 lower than budget due to 187 customers receiving service compared to the 258 customers budgeted.

MAN

Revenue is \$15,410 higher than budget due to more contracts than budgeted in addition to changes in services received.

Nonoperating Revenue (Expense)

- Interest income is over budget \$39,758 due to higher than projected cash balances and a higher rate of return.

Year-To-Date Summary of Expenses**Video****Program Acquisition Expense (751-758)**

Programming is lower due to lower subscribers than budgeted.

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Basic	\$ 393,557	\$ 337,244	\$ 345,652
Select	977,515	935,059	974,868
Premium	50,170	48,907	57,557
Digital	106,532	101,101	113,482
Pay-per-View	5,960	4,024	3,515
Video on Demand	<u>17,696</u>	<u>16,271</u>	<u>22,663</u>
Total	<u>\$ 1,551,430</u>	<u>\$ 1,442,606</u>	<u>\$ 1,517,737</u>
Total Subscribers (incl. Bulk)	5,184	5,091	5,472
Per Subscriber	\$ 74.82	\$ 70.84	\$ 69.34
Year over Year Increase		2.2%	

- Basic programming includes a credit of \$56,630 for a negotiated lower rate of prior year programming expenses.

Promotional Expense (960)

- Temp services for DSRs are under budget \$9,824.
- Labor is under budget \$5,309.
- Materials expense is under budget \$1,429.

Electricity Expense (736)

- Electricity expense \$3,415 higher than budget due to FTTH project delays.

Changes of Service (742)

- Labor is under budget \$5,962.

Underground Line Expense (743)

- Labor is under budget \$2,633.
- Materials expense is under budget \$850.

Ad Insertion – Marketing/Production (964,965)

- Labor is under budget \$16,040.
- Mileage under budget \$800.
- Telephone expense under budget \$500.

Miscellaneous Video Expense (710, 738, 739)

- Labor is over budget \$11,516.
- More boxes have been retired than budgeted in the amount of \$786.
- Materials expense is over budget \$26,060.

Video cont'dMaintenance of Fiber (711)

- Labor is over budget \$13,002.
- Materials expense is over budget \$3,381.

Maintenance of Drops (713)

- Labor is over budget \$5,197.
- Materials expense is over budget \$1,612.

Maintenance of Conduit System (714)

- Labor expense is under budget \$6,655.

Maintenance of Headend (721-725)

- Maintenance agreements are under budget \$5,620.
- Materials expense is under budget \$1,575.
- Labor is under budget \$2,533.

Maintenance of Line Equipment (731-735)

- Labor is over budget \$11,224.
- Materials expense is over budget \$1,309.

Maintenance of Converters (741)

- Labor is under budget \$7,199.

Maintenance of Ad Insertion (966)

- Labor is under budget \$7,065.

Depreciation Expense (793)

Depreciation is lower than budget due to fewer than expected expenditures for fiber coax nodes prior to year-end 2018. This type of equipment has five- and ten-year lives.

Data/InternetData/Internet Access Charges (851-853)

- Aureon Network Services is under budget \$4,617.
- Hurricane Electric is under budget \$6,400.
- CenturyLink is over budget \$1,315.
- Minnesota VOIP \$1,200 expense not budgeted.

Promotional Expense (961)

- Temp services for DSRs are under budget \$9,824.
- Labor under budget \$5,309.
- Materials expense is under budget \$1,549.

Miscellaneous Data/Internet Expense (847)

- Labor is over budget \$4,554.
- Fewer boxes retired than budgeted in the amount of \$838.
- Other miscellaneous materials are over budget \$8,377.

Data/Internet Cont'dMaintenance of Fiber (811)

- Labor is over budget \$5,417.
- Materials expense is over budget \$1,389.

Maintenance of Headend (820, 821)

- Labor is under budget \$10,292.
- Maintenance agreements are under budget by \$17,678.
- Materials expense is under budget by \$3,009.

Maintenance of Line Equipment (831-835)

- Labor is over budget \$3,881.
- Materials expense is over budget by \$672.

Maintenance of Modems (841)

- Labor is under budget \$18,532.

Depreciation (893)

Depreciation is higher than budget due to more modems retired than expected.

MANMaintenance of Fiber (812)

- Labor is over budget \$8,669.
- Materials expense is over budget by \$2,226.

Maintenance of Conduit System – (817)

- Labor is under budget \$6,016.

Maintenance of MAN Equipment – (818-819)

- Maintenance agreements over budget \$9,916.
- Materials expense under budget \$1,460.

Customer Service Expense – (909)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Billtrust	\$ 208	\$ 185	178
Postage	380	---	---
Promotional Material/Education	11,583	2,114	7,442
Media Advertising	8,055	4,805	3,945
Newsletter	1,094	1,442	685
Customer Awareness Programs	---	122	---
Marketing Intern	---	2,021	---
Photo Library	199	---	24
Miscellaneous	---	37	307
	<u>\$ 21,519</u>	<u>\$ 10,726</u>	<u>\$ 12,581</u>

Consumer AccountsCustomer Records and Collections – (901/903)

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Labor	\$ 181,103	\$ 179,524	\$ 172,126
Credit Card Processing	9,120	5,626	14,015
Bill Trust Expense	3,876	4,618	4,594
ACH Fees	2,853	2,557	2,480
Postage	8,495	10,161	9,990
Temp Services	4,093	6,583	3,575
Invoice Cloud	1,576	1,793	1,696
Collection Expense	2,676	683	2,674
IVR	543	643	548
Travel & Training	966	490	---
NOVO Knowledge Base	750	---	---
FTTH OTT Hardware	2,000	---	---
Other Expenses	<u>4,318</u>	<u>5,611</u>	<u>4,443</u>
	\$ 222,369	\$ 218,289	\$ 216,141

Administrative & GeneralA&G Salaries – (920)

- Salaries in the Employee Services, System Admin and Telecommunications departments are under budget by \$11,488, \$3,726 and \$28,122 respectively.
- Salaries in the Marketing, Cable Tech and Utility Services Delivery departments are over budget by \$37,220, \$3,973 and \$10,598.

Administrative & General (cont'd)Outside Services – (923)

	Responsibility Code	2019 Budget	2019 Actual	2018 Actual
Succession Planning	110-Sal	\$ -	\$ 2,272	\$ -
Organizational Development	120-Sal	2,000	998	4,311
Employment Legal Services	140-Brandy	400	544	-
Communications Legal Services	140-Brandy	3,700	5,944	431
MCC Public Access	224-Rick	19,212	19,200	18,967
Web/Graphics Services	224-Rick	1,252	464	291
Insurance Advisor	310-Jerry	2,016	2,016	2,016
Audit Fees	320-Cassie	6,015	5,559	5,581
Director Professional Counseling	410-Erika	-	1,071	-
Benefits Consulting	410-Erika	2,782	1,680	1,680
Employee Search Services	410-Erika	3,600	-	3,213
Pension Study/GASB 67/68	410-Erika	2,000	-	(1,800)
Compensation Review	410-Erika	1,200	-	-
509A Actuary	410-Erika	132	117	117
Employee Survey	410-Erika	1,200	-	-
FTTH Support	920-Brad	-	1,870	-
Communications Consulting - IUB/FCC	920-Brad	3,600	3,600	3,600
		<u>\$ 49,109</u>	<u>\$ 45,335</u>	<u>\$ 38,407</u>

Injuries & Damages – (925)

- Workers compensation claims over budget \$12,315.
- Insurance premiums are \$649 under budget.

Employee Pensions & Benefits – (926)

	2019 Budget	2019 Actual	2018 Actual
Health care cost	\$ 176,342	\$ 166,346	\$ 156,321
Pension	185,566	185,566	156,485
FICA	83,404	78,109	68,885
Deferred compensation	17,220	22,857	18,730
Dental	6,400	6,514	6,107
Life, LTD & ADD	6,580	8,152	5,295
OPEB	2,241	2,241	2,086
Other expenses	6,759	6,912	7,610
	<u>\$ 484,512</u>	<u>\$ 476,697</u>	<u>\$ 421,519</u>

- Deferred compensation higher than budget due to higher employee contributions.
- LTD premiums increased 50%.

Fringe Benefits Charged to Construction – (927)

- Less time has been charged to capital projects than budgeted.

Administrative & General (cont'd)

Miscellaneous General Expense – (930)

- Labor is under budget \$4,816.
- Travel & training are under budget by \$10,366.
- Membership & subscriptions under budget by \$2,293.
- Wellness expenses are under budget by \$2,062.
- Employment expenses are under budget by \$2,748.
- Temp services are over budget \$1,342.

Maintenance of General Plant – (932)

- Maintenance agreements under budget by \$5,891.
- Memberships and subscriptions under budget by \$1,360.
- Material expenses under budget by \$1,490.

Vacation, Holiday, Sick Leave – (936)

- Sick leave and personal leave are under budget \$5,583.
- Vacation is under budget \$8,663.